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LABOR BULLETIN

OF THE COMMONWEALTH OF

MASSACHUSETTS

No. 32

JULY, 1904.

CONTAINING:

Child Labor.	Industrial Agreements.
Net Profits of Labor and Capital.	Current Comment.
The Inheritance Tax.	Recent Legal Labor Decisions.
Absence after Pay Day.	Excerpts.
Pay of Navy Yard Workmen.	Statistical Abstracts.
Labor Legislation, Massachusetts, 1904.	

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MASSACHUSETTS LABOR BULLETIN.

No. 32.

JULY.

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CHILD LABOR

In the United States and Massachusetts.

In a recent issue of a widely-circulated magazine, at the head of an article relating to child labor, appeared the following note signed by "The Editors: "

"There are about seventeen hundred and fifty thousand children between the ages of ten and fifteen years employed in the *mines and factories* of the United States. These *true figures* form as serious a menace to our political future as any which exists."

We have printed certain words in the preceding extract in italics, because we wish to call particular attention to them. If the facts are as given in the extract, the situation is, to use the editor's own word, "appalling."

The figure used, 1,750,000, is drawn, approximately, from the United States Census report for 1900, the exact number being, however, 1,752,187. As a general rule, it is not safe to use aggregate figures without paying proper attention to the details which compose them. Deductions drawn from aggregates are oftentimes misleading, and sometimes vicious in their influence upon unthinking minds.

To correct a manifest error is in the interest of truth, and with this purpose in view we present, hereinafter, figures drawn from the United States Census of 1900 which show the real conditions regarding child labor in the United States and Massachusetts, in the year when the census was taken.

CHILD LABOR IN THE UNITED STATES IN 1900.

As previously stated, the number of children under 16 years of age reported by the United States Census as being employed in productive industries was 1,752,187. The following table shows the distribution of this number by the leading industries:

Child Labor in United States—1900. Aggregates and Percentages. All Industries.

INDUSTRIES.	Children under 16 Years of Age	Percentages
Agriculture,	1,062,251	60.62
Professional services,	2,956	0.17
Domestic and personal service,	280,143	15.99
Trade and transportation,	122,507	6.99
Manufacturing and mechanical industries and mining,	284,330	16.23
TOTAL,	1,752,187	100.00

What facts does this table disclose? In the first place, out of each one hundred children at work nearly 61 were engaged in agricultural pursuits where the conditions of employment are certainly very different from those existing in mines, mills, or large factories. About 16 in each hundred were engaged in domestic or personal service, many, probably the majority, in homes and surrounded by better influences than are found in mines or mills.

The number engaged in manufacturing and mechanical industries and mining was 284,330 or a little over 16 in each one hundred, being a slight advance above those employed in domestic or personal service.

The statement made in the extract quoted at the opening of this article is entirely disproved and shown to be without foundation in fact. But the whole truth is not brought out even by these figures. It is necessary to consider certain *branches* of industry in which large numbers of children are employed in order to learn the exact truth. In the table which follows eight branches of occupation are considered, they representing 1,474,939 children at work, or 84.18 per cent of the whole number reported by the census :

Child Labor in United States—1900. Aggregates and Percentages. Selected Branches of Industry.

BRANCHES OF INDUSTRY.	Children under 16 Years of Age	Percentages
Agricultural laborers,	1,054,700	60.19
Laborers (not specified),	128,890	7.36
Servants, etc,	138,284	7.89
Clerks, etc.,	22,034	1.26
Messengers, etc.,	42,045	2.40
Salesmen, etc,	20,342	1.16
Miners,	24,217	1.38
Cotton-mill operatives,	44,427	2.54
All other branches,	277,248	15.82
TOTAL,	1,752,187	100.00

We now arrive at what may be considered foundation figures. Agricultural laborers represent 60.19 in each one hundred children employed; laborers (not specified), 7.36; servants and those engaged in similar work, 7.89; clerks and like service, 1.26; messengers and work of a

similar character, 2.40; salesmen and such service, 1.16; miners (in all kinds of mines), 1.38, and cotton-mill operatives, 2.54.

Each of the branches of industry considered employed more than 20,000 children; the smaller industries represented 277,248 or 15.82 per cent of the whole number employed in all industries.

Numbers, in themselves perhaps large, when brought into comparison with other numbers, particularly aggregates, may prove to be of relatively small importance. This point is brought out forcibly in the next table in which the number of children under 16 years of age at work (the majority presumably between 10 and 16) is brought into comparison with the whole number of persons in the United States 10 years of age or over engaged in all the industries.

Child Labor in the United States — 1900. All Industries.

INDUSTRIES.	Persons 10 Years of Age and Over	Children under 16 Years of Age	Percentages
Agriculture,	10,438,219	1,062,251	10.18
Professional services,	1,264,737	2,956	0.23
Domestic and personal service,	5,691,746	280,143	4.92
Trade and transportation,	4,778,233	122,507	2.56
Manufacturing and mechanical industries and mining,	7,112,987	284,330	4.00
TOTALS,	29,285,922	1,752,187	5.98

The 1,752,187 children at work represent 5.98 per cent or about six in the hundred of all persons 10 years of age and over engaged in gainful occupations, but an examination of the table shows that this proportion is largely due to the great number of children engaged in agricultural pursuits.

The consideration by branches of industry employing more than 20,000 children again becomes illustrative and consequently valuable. The eight great branches of industry employing children are shown in the following table in which comparisons are again made between the children engaged in each branch and the whole number of persons, 10 years of age and over, employed in the respective branches of industry considered:

Child Labor in the United States — 1900. Selected Branches of Industry.

BRANCHES OF INDUSTRY.	Persons 10 Years of Age and Over	Children under 16 Years of Age	Percentages
Agricultural laborers,	4,459,346	1,054,700	23.65
Laborers (not specified),	2,649,420	128,890	4.88
Servants, etc.,	1,565,440	138,284	8.83
Clerks, etc.,	632,099	22,034	3.49
Messengers, etc.,	71,695	42,045	58.64
Salesmen, etc.,	611,787	20,342	3.33
Miners,	570,995	24,217	4.24
Cotton-mill operatives,	246,904	44,427	18.06
TOTALS,	10,797,786	1,474,939	13.66

This is the most graphic and instructive of the tables. In the eight industries considered 10,797,786 persons 10 years of age and over were employed in 1900, of whom 1,474,939, or 13.66 per cent, were children under 16 years of age. This proportion of nearly 14 in the hundred is largely due to the preponderating influence of 1,054,700 agricultural laborers. The largest proportion, nearly 59 in the hundred, is found, naturally enough, among messengers and those engaged in like service, for it is in this line of work that young persons, as a rule, are employed. The next highest proportion, nearly 24 in the hundred, occurs among agricultural laborers; the third highest, 18 in the hundred, in cotton mills, while only four in the hundred are employed in mines. These results are markedly at variance with generally expressed and received opinions on the subject, but they are drawn from the only available official figures and must be accepted as correct and conclusive.

Before closing the consideration of the question so far as the United States are concerned we desire to present an interesting ratio. The number of families in the United States in 1900 was 16,239,797, the average size being 4.7 persons. If each family had had one child under 16 at work the whole number so employed would have been 16,239,797; the actual number employed was, as we have shown, 1,752,187, or 10+ per cent; or, in other words, but 10 per cent of the families had, on the average, one child under 16 years of age at work.

CHILD LABOR IN MASSACHUSETTS.

The United States Census for 1900 supplies very full statistics regarding the employment of persons under 16 years of age in Massachusetts manufacturing industries. In the following table, 138 industries are specified, and in connection with each is given the average number of wage earners of all ages employed therein, the average number of wage earners under 16 years of age, and the resulting percentage of children to the total number. For those industries showing the employment of children in excess of five per cent, or five in each one hundred, the figures are printed in **full-faced type**:

Child Labor in Massachusetts Manufacturing Industries — 1900.

INDUSTRIES.	Average Number of Wage-Earners (All Ages)	Average Number of Wage-Earners under 16 Years of Age	Percentages
Agricultural implements,	312	1	0.32
Baskets, and rattan and willow ware,	191	2	1.05
Belting and hose, rubber	316	9	2.85
Bicycle and tricycle repairing,	503	13	2.58
Billiard tables and materials,	79	1	1.27
Blacksmithing and wheelwrighting,	2,455	20	0.81
Bookbinding and blank book making,	2,608	65	2.49
Boot and shoe cut stock,	4,390	63	1.44
Boot and shoe findings,	2,178	50	2.30
Boots and shoes, custom work and repairing,	699	9	1.29
Boots and shoes (factory product),	58,645	987	1.68
Boots and shoes, rubber	5,250	57	1.09
Bottling,	739	3	0.41

Child Labor in Massachusetts Manufacturing Industries — 1900 — Continued.

INDUSTRIES.	Average Num- ber of Wage-Earners (All Ages)	Average Num- ber of Wage-Earners under 16 Years of Age	Percentages
Boxes (fancy and paper),	3,890	97	2.49
Boxes (wooden packing),	2,081	21	1.01
Brass casting and brass finishing,	1,128	1	0.09
Brassware,	337	2	0.59
Bread and other bakery products,	5,250	76	1.45
Brick and tile,	1,424	3	0.21
Brooms and brushes,	1,105	32	2.90
Buttons,	772	27	3.50
Carpentering,	13,452	7	0.05
Carpets and rugs (other than rag),	4,480	504	11.25
Carriage and wagon materials,	580	2	0.34
Carriages and sleds, children's	280	2	0.71
Chemicals,	622	3	0.48
Clothing, men's, custom work and repairing,	5,091	67	1.32
Clothing, men's (factory product),	3,333	8	0.24
Clothing, women's (dressmaking),	4,172	13	0.31
Clothing, women's (factory product),	3,443	28	0.81
Combs,	752	8	1.06
Confectionery,	2,942	87	2.96
Cordage and twine,	3,303	151	4.57
Corsets,	1,085	25	2.30
Cotton goods,	92,085	5,923	6.43
Cotton small wares,	430	49	11.40
Cutlery and edge tools,	2,100	46	2.19
Druggists' preparations (not including prescriptions),	145	5	3.45
Dyeing and cleaning,	428	1	0.23
Dyeing and finishing textiles,	4,678	97	2.07
Electrical apparatus and supplies,	5,292	103	1.98
Electroplating,	219	4	1.83
Enameling and enameled goods,	195	2	1.90
Engraving and die-inking,	104	1	0.96
Engraving, steel (including plate printing),	193	3	1.55
Envelopes,	976	4	0.41
Fancy articles (not elsewhere specified),	357	2	0.56
Felt goods,	464	15	3.23
Firearms,	1,693	40	2.50
Flavoring extracts,	139	1	0.72
Flouring and grist mill products,	394	2	0.66
Food preparations,	500	8	1.60
Foundry and machine shop products,	32,234	69	0.21
Fruits and vegetables, canning and preserving,	139	3	2.16
Fur hats,	1,823	13	0.71
Furnishing goods, men's	498	1	0.20
Furniture (cabinetmaking, repairing, and upholstering),	1,203	7	0.58
Furniture (factory product),	6,092	34	0.56
Gas and lamp fixtures,	158	5	3.16
Gas machines and meters,	192	3	1.56
Glass,	387	25	6.46
Gloves and mittens,	201	6	2.99
Gold and silver (leaf and foil),	96	4	4.17
Grease and tallow,	424	1	0.24
Hairwork,	74	1	1.35
Hand stamps,	74	2	2.70
Hardware,	616	71	11.53
Hats and caps (not including fur hats and wool hats),	2,245	5	0.22
Hosiery and knit goods,	6,667	460	6.90
House furnishing goods (not elsewhere specified),	381	5	1.31
Iron and steel,	6,125	23	0.38
Iron and steel, bolts, nuts, washers and rivets,	943	12	1.27
Iron and steel, nails and spikes, cut and wrought, including wire nails,	1,076	26	2.42
Ivory and bone work,	574	26	4.53
Jewelry,	5,696	21	0.37
Lead, bar, pipe, and sheet,	101	1	0.99
Leather goods,	473	7	1.48
Leather, tanned (curried, and finished),	7,010	7	0.10
Linen goods,	1,387	123	8.87
Lithographing and engraving,	1,079	29	2.69
Lock and gun smithing,	108	2	1.85
Lumber and timber products,	2,768	5	0.18
Lumber, planing mill products, including sash, doors, and blinds,	2,434	20	0.82
Marble and stone work,	3,894	6	0.15
Masonry, brick and stone	8,741	1	0.01
Millinery and lace goods,	993	1	0.10
Millinery (custom work),	2,216	24	1.08
Mineral and soda waters,	460	6	1.30
Mucilage and paste,	92	1	1.09
Musical instruments, organs and materials,	629	1	0.16
Needles and pins,	262	31	11.83
Oil (not elsewhere specified),	160	1	0.63
Optical goods,	1,469	64	4.36
Painting, house, sign, etc.,	6,114	11	0.18
Paper and wood pulp,	9,061	7	0.08
Paper goods (not elsewhere specified),	1,487	30	2.02
Paper hangings,	169	4	2.37
Patent medicines and compounds,	1,259	5	0.40
Paving and paving materials,	951	1	0.11

Child Labor in Massachusetts Manufacturing Industries — 1900 — Concluded.

INDUSTRIES.	Average Number of Wage-Earners (All Ages)	Average Number of Wage-Earners under 16 Years of Age	Percentages
Perfumery and cosmetics,	57	1	1.75
Photographic apparatus,	55	2	3.64
Photographic materials,	95	3	3.16
Photography,	760	6	0.79
Photo-lithographing and photo-engraving,	233	2	0.86
Pickles, preserves, and sauces,	281	2	0.71
Plated and brittania ware,	193	3	1.55
Plumbers' supplies,	374	10	2.67
Plumbing, and gas and steam fitting,	5,432	23	0.42
Pottery, terra cotta, and fire-clay products,	584	4	0.68
Printing and publishing, book and job,	5,427	150	2.76
Printing and publishing, newspapers and periodicals,	5,432	88	1.62
Regalia and society banners and emblems,	39	1	2.56
Roofing and roofing materials,	901	2	0.22
Rubber and elastic goods,	5,944	127	2.14
Saddlery and harness,	785	1	0.13
Shirts,	1,985	1	0.05
Shoddy,	307	3	0.98
Silk and silk goods,	3,110	171	5.50
Silverware,	1,030	8	0.78
Slaughtering and meat packing (wholesale),	2,337	11	0.47
Smelting and refining (not from the ore),	11	1	9.09
Soap and candles,	523	12	2.29
Stamped ware,	297	8	2.69
Surgical appliances,	134	2	1.49
Tinsmithing, coppersmithing, and sheet-iron working,	2,145	2	0.09
Tobacco, cigars, and cigarettes,	2,752	14	0.51
Tools (not elsewhere specified),	1,983	13	0.66
Toys and games,	434	12	2.76
Trunks and valises,	136	1	0.74
Watch, clock, and jewelry repairing,	533	8	1.50
Whips,	695	21	3.02
Wirework (including wire rope and cable),	1,695	55	3.24
Wood (turned and carved),	1,048	22	2.10
Woodenware (not elsewhere specified),	155	5	3.23
Wool hats,	541	15	2.77
Woolen goods,	17,717	675	3.81
Worsted goods,	18,867	1,077	5.71
All other industries,	5,829	33	0.57
ALL INDUSTRIES,	497,448	12,556	2.52

The table may be condensed for purposes of analysis as follows :

CLASSIFICATION OF PERCENTAGES.	Number of Industries	CLASSIFICATION OF PERCENTAGES.	Number of Industries
Less than one-half of one per cent,	33	Four but under five per cent,	4
One-half but less than one per cent,	24	Five per cent and over,	11
One but under two per cent,	29		
Two but under three per cent,	27	TOTAL,	138
Three but under four per cent,	10		

The industries employing five or more than five children to each one hundred employees, of all ages, are as follows :

INDUSTRIES.	Percent-ages	INDUSTRIES.	Percent-ages
Carpets and rugs (other than rag),	11.25	Linen goods,	8.87
Cotton goods,	6.43	Needles and pins,	11.83
Cotton small wares,	11.40	Silk and silk goods,	5.50
Glass,	6.46	Smelting and refining (not from the ore),	9.09
Hardware,	11.53	Worsted goods,	5.71
Hosiery and knit goods,	6.90		

These 11 industries employed 8,435 children, or 6.57 per cent of the total employees of all ages engaged therein. It will be noticed by

referring to the long table that, in many cases, although the percentages are large, the numbers on which they are based are comparatively small.

The whole number of children under 16 years of age employed in the manufacturing industries of Massachusetts in 1900 was 12,556, or 2.52 per cent ($2\frac{1}{2}$ in the hundred) of the whole number of employees of all ages (497,448) engaged in the various manufacturing industries.

In 1900, the number of families in Massachusetts was 613,659, with an average size of 4.6 persons. If each family supplied one child worker under 16 years of age there would have been 613,659 children employed. There were actually engaged in manufacturing industries 12,556, or 2+ per cent — only two families in each one hundred, on the average, having a child worker in mills or factories.

We have no desire or intention to minimize the evil effects of child labor. Our American industrial life is so exacting upon both physical and mental powers, that children should not be forced into it from poverty or greed until they are able to stand the strenuous life which lies before them: but, as the basis of intelligent legislation to remedy apparent evils, facts from official sources should be relied upon and not unsubstantiated statements or unfounded estimates.

NET PROFITS OF LABOR AND CAPITAL.

This article is intended to be a statistical study and comparison of the net profits of labor and capital. The labor side of the question is presented in the form of extracts and quotations from labor newspapers and magazines, and the side of capital by tables made up from official figures.

A labor magazine says:

The United States Census reports for 1900 declare that the average annual wage of an American laborer is \$437.

That's a little less than \$1.50 a day, and nobody need go to Washington to learn that the average man who works with his hands gets about what the government says he does. But here come the 1900 census reports with another fact that makes the figures about wages seem more important.

The average annual value of an American workingman's product is \$2,450 say the census reports.

Now figure this out for yourself and you will see that the difference between what the average wage-worker gets each year and the value of the work he creates with his labor is \$1,913.

Part of the difference is undoubtedly wasted by his employer in trying to get business that naturally belonged to some other fellow: but a large part of this \$1,913 THAT THE WAGE EARNER CREATED BUT DID NOT GET went into the employer's pockets in the form of profits.

As bearing upon the same subject we extract the following from another labor publication :

Again, I ask you what good is this country to you if to exist you are compelled to work eight hours for some boss, and two hours for yourself every day, giving to the boss four-fifths of what you produce and keeping for yourselves one-fifth? That is, if you create in wealth the amount of ten dollars in a day, you are compelled to give over eight dollars to others and keep two for yourself.

We next present in full an article lately published from the pen of the well-known writer on labor matters, Mr. Herbert N. Casson.

Wages Represent Gross Receipts, not Net Prices.

In this article I am going to consider the labor question in a businesslike way. One reason why the average business man has such hazy ideas about labor problems, is because they are not presented to him from the standpoint of a business man.

Many a business man would raise wages, or at least refuse to reduce them, if he understood what wages really meant to the wage-worker. Before he can be fair, he must look into this question of wages from the standpoint of the man who gets the pay envelope.

Every business man knows the difference between gross receipts and net profits. He knows that the difference means either success or failure. If the net profits are small, he knows that it doesn't matter how high the gross receipts are.

Every business man knows that it isn't what he takes in that makes his business profitable. It is what he KEEPS. It is what he has left after all expenses are paid. If he takes in \$15,000, and has to pay out \$13,500 for rent, clerk hire, raw materials, etc., then his net profits are only \$1,500.

Now, when a workingman draws his wages, does the money represent gross receipts or net profits? Most employers have the idea that the pay envelopes contain clear profit. They imagine that, as their employees do not hire anybody, there are no expenses to be counted out of the wages.

As a matter of fact, wages always represent gross receipts, and there are expenses to be deducted. The wage-worker has absolutely nothing coming in to him except his wages.

What are a wage-worker's business expenses? Some of them are as follows :

(1) Wear and tear. Every manufacturer sets aside every year a certain amount, often ten per cent, to cover wear and tear of his machinery. In the same way every wage-worker should set aside the same proportion of his wages for old age, recognizing the fact that he is wearing out and losing his vim and energy year by year.

(2) Sickness. Every manufacturer takes out of his gross receipts the amount he has had to pay to get his broken machines fixed. Why should the workers not do the same? Why not put the doctor's bill on the same footing as the machinist's bill, and call both of them expenses that must be deducted from the total income?

(3) Insurance. Just as a manufacturer insures his factory against fire so a worker should insure himself against accident or sudden death. A worker is his own machine, you must remember, and whatever it costs to keep him in good order ought to be counted as expenses.

(4) Board, lodging and clothing, up to the point of unnecessary expense. All that it takes to keep a worker in good running order may fairly be regarded as expenses.

Whatever is left in the pay envelope, after these expenses have been taken out, represents net profits. It is this remainder that decides whether the job is worth having and whether life is worth living for the worker.

Take the case of an average able-bodied seaman, for example, on an American coasting steamer. His pay is \$30 a month, but as he works only eight months a year,

his yearly income is \$240. Out of this amount he has to pay his way on shore during the four months that he is idle.

Suppose he spends \$1 a day, which would not allow him to enjoy many theatre parties or fancy dress balls, he will spend half of his money before he can get another job. Then he has to buy his own oilskins, sea boots, mess gear, bedding, etc., before he can apply for a job, so that his net profits for a year will likely not be more than \$50.

In a recent government report, the shameful fact was brought out that the working-women of Ohio cities are getting on the average \$4.94 a week, and that their expenses for the bare necessities of life are \$4.82, leaving a balance of 12 cents as net profits. The man who wrote the report had interviewed 7,825 women, in sixteen of the largest cities of Ohio, showing that such wages are not unusual.

There are full-grown men in North Carolina who are working in the cotton mills for 58 cents a day. In the same State there are other full-grown men, — American citizens, who are working in the furniture factories for 66 cents a day. What can the net profits be in these cases?

There are men, — full-grown men with families, who work in some of the car shops of New York State for not more than 18 cents an hour. When they have paid all the necessary expenses of existence, how much can they have left to enjoy life on? Are they getting much more out of life than the people in the poorhouses and penitentiaries?

Few wage-workers save much money. Most of them are like the poor old laborer who, when he was dying, called his family around him and said: "Well, children, I was born without a cent, and I die without a cent. Thank God, I've held my own."

If a workman is badly injured by an accident, if he loses his eyesight or an arm or a hand, then his expenses swallow up all his wages. He is what you might call a bankrupt, because no amount of money can pay him for what he has lost. If he got \$10 a day, it would not reward him for the loss of his eyes or his arm, yet, as a matter of fact, instead of getting more money because of his accident, he is generally discharged and gets little or no money afterwards.

A wage-worker has his labor to sell. There is this great difference between a slave and a wage-worker, — a slave was sold by one master to another, while a wage-worker sells himself to a master.

The trouble is that so many wage-workers have the spirit of slaves. They do not dare to organize and get the highest price possible for their labor. They take what they are offered. They do not figure out profit and loss. They are willing to hand over a dollar's worth of work to an employer for fifty or sixty cents.

The purpose of a trade union, therefore, is to teach wage-workers to have some business ability. It is to show them that there must be two sides to every fair bargain. It is to prevent them from ruining the labor market by underselling one another.

Until lately, every workingman who had any business ability became a capitalist, but today the big trusts have made it so hard to become a capitalist that the workers who have business ability are remaining in the ranks of labor. They are becoming the officers of the trade unions, and this, I believe, is the hope of the labor movement.

At last the labor movement is led by capable, efficient men, not by theorists and well-meaning cranks. Practical propositions are being put forward one by one, and the advance is noticeable all along the line. More has been conceded by capital to labor in the past five years than in the first 75 years of this Republic's career.

No wage-workers in any part of the world give so much energy and vitality and skill and productive ability for the benefit of their employers as the American wage-workers. Consequently, they ought to be paid at a far higher rate than that which prevails anywhere else.

The wear and tear is greater here than anywhere else. A man's working years are fewer than they are in England or Germany or France. It is only reasonable, then, that when a man crowds 40 years' work into 25 years, he should be paid for the whole 40 years.

It is not enough to exist. It is not enough to keep the human machine going. The man who is satisfied with this is not fit to be an American citizen. He is not fit to vote or to raise a family.

When the grocer and the landlord get nine-tenths of the money in the pay envelope, there is need of organization and action. No man should work for his keep as if he were a horse or an ox. No man gets fair wages if his money must be spent for hay, oats, and stabling.

Never forget that wages represent gross receipts, not net profits.

Mr. Casson sums up the necessary expenses or "fixed charges" which must be deducted from his wages or "gross receipts" before his surplus or "net profits" can be ascertained. These fixed charges vary with different families, being influenced by a great variety of circumstances, such as size of family, sickness, or death.

In order to make a proper comparison between the net profits of labor and those of capital it becomes necessary to ascertain the expenses of capital and deduct them from the "gross receipts" in order to find the employer's surplus or "net profits." To do this we shall not indulge in generalities but shall have recourse to the statistical authority used by the writers from whose articles we have made extracts—the United States Census of 1900, supplemented by equally reliable figures drawn from the Massachusetts Statistics of Manufactures for 1903.

This Bureau presented in its report for 1890 an article on "Net Profits," the results being based upon sworn returns from manufacturers made in connection with the Decennial Census of 1885. The grand result showed that, considering all industries, including those losing money, those coming out even, and those making money, the average net profits did not vary materially from the interest rate for the use of money (six per cent), being 4.83 per cent.

In order to ascertain whether different financial conditions existed in 1900 than in 1885, we have prepared comparative showings for Boots and Shoes, Cotton Goods, and All Industries, using the same estimated percentages for expenses as in 1885, there being no way of obtaining actual percentages for 1900. We think, however, that it will be allowed without argument that the expenses of manufacturers were greater in 1900 than in 1885, so that the use of the percentages determined in 1885 will militate against the manufacturers rather than in their favor.

The first presentation, in four sections, is for Boots and Shoes.

Boots and Shoes. [Section 1.]

CAPITAL INVESTED.	Amounts	Percentages
Land,	\$674,179	1.80
Buildings,	2,360,203	6.28
Machinery, tools, and implements,	5,750,238	15.30
Cash and sundries,	28,783,010	76.62
TOTAL,	\$37,577,630	100.00

Boots and Shoes. [Section 2.]

COST OF PRODUCTION.	Amounts	Percentages
Cost of materials used,	\$75,751,964	68.36
Salaries,	2,487,013	2.24
Wages,	27,745,820	25.04
Rent of works,	399,893	0.36
Taxes,	192,577	0.17
Rent of offices, insurance, and all other sundries,	3,252,789	2.94
Contract work,	981,637	0.89
TOTAL,	\$110,811,693	100.00

Boots and Shoes. [Section 3.]

CLASSIFICATION.	Amounts	Percentages
Cost of materials used,	\$75,751,964	64.68
Salaries,	2,487,013	2.12
Wages,	27,745,820	23.69
Rent of works,	399,893	0.34
Taxes,	192,577	0.17
Rent of offices, insurance, and all other sundries,	3,252,789	2.78
Contract work,	981,637	0.84
Excess of selling price above cost of production,	6,303,559	*5.35
TOTAL,	\$117,115,243	100.00

* Equivalent to 16.77 + per cent on amount of capital invested.

Boots and Shoes. [Section 4.]

CLASSIFICATION.	Percentages of Selling Price
Interest (5 per cent on cash capital),	1.23
Depreciation (10 per cent on value of machinery, tools, and implements),	0.49
Allowance for selling expenses and losses by bad debts (5 per cent on selling price),	5.00
Net loss,	*-1.34
TOTAL (percentage of selling price above cost of production, as shown in Section 3),	5.35

* Equivalent to a loss of 4.17 + per cent on amount of capital invested.

Section 1 relates to Capital Invested, the amounts and percentages for details being given.

Section 2 covers the Cost of Production.

Section 3 determines the excess of selling price above cost of production.

Section 4 introduces interest, depreciation, and allowance for selling expenses and losses by bad debts, and brings out, in the bases assumed, the percentage of net profit.

Section 3 shows that the excess of selling price above the cost of production was equivalent to 16.77 + per cent on amount of capital invested. Section 4 brings out the fact forcibly that the industry could not stand the extra expenses therein enumerated without loss, showing that in 1900 the industry was conducted on a much closer margin.

The net loss of 1.34 per cent of selling price means a net loss on each of 58,645 employees in the industry of \$26.76. If we take the percentage in Section 3, or 16.77 + per cent, on capital invested (omitting

the expense items in Section 4) we obtain an annual profit for each employee of \$107.49, the average annual wage being \$473. *But this allows the manufacturer nothing for interest, depreciation, or business losses, but takes everything above the actual cost of production.* If we allow him five per cent on capital invested it represents \$32.04 for each employee which deducted from \$107.49 leaves \$75.45; or, in other words, out of a possible \$548.45 an employee, the employee gets for his labor \$473, or 86.24 per cent, and the employer \$75.45, or 13.76 per cent. These figures, it will be seen, vary widely from the estimates in the two extracts quoted at the opening of this article. It must be borne in mind, of course, that the sum coming to the manufacturer is *for each employee*, but as all wage advances must be made on this basis, the \$75.45 for each operative would indicate possible average yearly earnings for him of but \$548.45, or 15.95 per cent increase if nothing were left to the manufacturer for depreciation on machinery and tools, or allowance for selling expenses or losses by bad debts which would certainly swallow up some of the \$75.45 for each employee.

The second presentation is for Cotton Goods, it being divided into four sections as in the tables for Boots and Shoes preceding.

Cotton Goods. [Section 1.]

CAPITAL INVESTED.	Amounts	Percentages
Land,	\$8,716,746	5.60
Buildings,	30,066,848	19.30
Machinery, tools, and implements,	57,928,100	37.19
Cash and sundries,	59,049,499	37.91
TOTAL,	\$155,761,193	100.00

Cotton Goods. [Section 2.]

COST OF PRODUCTION.	Amounts	Percentages
Cost of materials used,	\$54,068,038	56.52
Salaries,	2,013,902	2.11
Wages,	32,327,443	33.80
Rent of works,	13,714	0.01
Taxes,	1,654,300	1.73
Rent of offices, insurance, and all other sundries,	5,391,813	5.64
Contract work,	183,530	0.19
TOTAL,	\$95,652,740	100.00

Cotton Goods. [Section 3.]

CLASSIFICATION.	Amounts	Percentages
Cost of materials used,	\$54,068,038	48.94
Salaries,	2,013,902	1.82
Wages,	32,327,443	29.26
Rent of works,	13,714	0.01
Taxes,	1,654,300	1.50
Rent of offices, insurance, and all other sundries,	5,391,813	4.88
Contract work,	183,530	0.17
Excess of selling price above cost of production,	14,825,587	*13.42
TOTAL,	\$110,478,327	100.00

* Equivalent to 9.51+ per cent on amount of capital invested.

Cotton Goods. [Section 4.]

CLASSIFICATION.	Percentages of Selling Price
Interest (5 per cent on cash capital),	2.67
Depreciation (10 per cent on value of machinery, tools, and implements),	5.24
Allowance for selling expenses and losses by bad debts (5 per cent on selling price),	5.00
Net profit,	90.51
TOTAL (percentage of selling price above cost of production, as shown in Section 3),	13.42

* Equivalent to 0.36+ per cent on amount of capital invested.

The number of employees was 92,085 and the 0.36+ per cent net profit shown in Section 4 means a surplus of \$6.12 on the labor of each employee for the year. This, while it means an aggregate surplus of \$563,439 to all the cotton goods manufacturers, would amount to but 11 $\frac{7}{10}$ cents a week for each operative if divided equally among them.

If, as in the case of Boots and Shoes, we assume that the employee gets all above the actual cost of production, it would allow him \$161, or \$3.10 a week additional, but this would leave the manufacturer absolutely nothing for interest, depreciation, selling expenses, business losses, or profits, and the business would have to be stopped. If the manufacturer were allowed five per cent interest on his capital, labor's possible share would then be \$76.43 additional a year for each employee, or \$1.47 weekly.

The third presentation is for All Industries, representing the entire field of manufacturing industries in the Commonwealth in the year 1900, it being given, as before, in four sections.

All Industries. [Section 1.]

CAPITAL INVESTED.	Amounts	Percentages
Land,	\$57,284,347	6.96
Buildings,	116,410,327	14.14
Machinery, tools, and implements,	201,933,253	24.53
Cash and sundries,	447,636,360	54.37
TOTAL,	\$823,264,287	100.00

All Industries. [Section 2.]

COST OF PRODUCTION.	Amounts	Percentages
Cost of materials used,	\$552,717,955	62.42
Salaries,	31,257,630	3.53
Wages,	228,240,442	25.78
Rent of works,	7,370,695	0.90
Taxes,	6,070,464	0.69
Rent of offices, insurance, and all other sundries,	47,010,308	5.31
Contract work,	12,156,948	1.37
TOTAL,	\$885,425,042	100.00

All Industries. [Section 3.]

CLASSIFICATION.	Amounts	Percentages
Cost of materials used,	\$552,717,955	53.39
Salaries,	31,257,630	3.02
Wages,	228,240,442	22.05
Rent of works,	7,970,695	0.77
Taxes,	6,070,464	0.59
Rent of offices, insurance, and all other sundries,	47,010,908	4.54
Contract work,	12,156,948	1.17
Excess of selling price above cost of production,	149,773,947	*14.47
TOTAL,	\$1,035,198,989	100.00

* Equivalent to 18.19+ per cent on amount of capital invested.

All Industries. [Section 4.]

CLASSIFICATION.	Percentages of Selling Price
Interest (5 per cent on cash capital),	2.16
Depreciation (10 per cent on value of machinery, tools, and implements),	1.95
Allowance for selling expenses and losses by bad debts (5 per cent on selling price),	5.00
Net profit,	*5.36
TOTAL (percentage of selling price above cost of production, as shown in Section 3),	14.47

* Equivalent to 6.73+ per cent on amount of capital invested.

The 6.73+ per cent surplus on capital invested represents \$111.54 for each of the 497,448 employees, or \$2.15 a week. This sum if given to them would allow the manufacturer the cost of production, interest, depreciation, selling expenses, and for business losses, but would leave him nothing in the shape of net profits.

The results just shown for All Industries correspond very closely with those given in the Bureau Report for 1890, based upon the returns from more than 10,000 establishments for the Census year 1885. The net profits were somewhat large in 1900, being 6.73+ per cent on capital invested, while in 1885 the percentage was 4.83.*

Comparative Results in 1903.

To enable us to institute a comparison between the results already presented for 1900, we have selected, at random, from some 5,000 returns made for 1903, and included in the Annual Statistics of Manufactures for that year, *twelve schedules*, taken from the leading industries of the State. The schedules are indicated by numbers in the succeeding tables, and the names of the proprietors, the kinds of goods made, and the locations of the plants are unknown to the writer. He knows there is a boot and shoe factory represented, but he does not know which one of the numbers from 1 to 12 indicates it.

Table 1 shows for each of the establishments considered the value of stock used, the number of persons employed, the yearly wage fund, capital invested, and value of goods made.

* See page 178, *post*.

Table I.

ESTABLISHMENT NUMBERS.	Stock Used	Persons Employed	Wages Paid	Capital Invested	Value of Goods Made
1,	\$928,772	811	\$450,353	\$154,997	\$1,710,888
2,	3,568,560	2,201	1,514,004	782,626	5,093,968
3,	3,209,957	3,367	1,458,851	4,079,584	5,263,732
4,	1,879,752	2,149	975,184	3,542,555	3,464,019
5,	1,128,500	384	217,019	827,455	1,742,406
6,	827,507	1,668	905,463	914,115	2,852,759
7,	1,052,337	240	132,989	403,562	1,378,971
8,	2,754,503	2,802	1,091,594	4,322,584	5,334,220
9,	851,685	769	277,346	720,924	1,881,865
10,	942,123	405	144,711	758,142	1,311,639
11,	1,280,189	398	190,764	1,008,005	1,772,788
12,	866,099	708	320,208	445,196	1,353,287
TOTALS,	\$19,289,984	15,902	\$7,678,486	\$18,259,735	\$33,979,642

The representative character of these 12 establishments may be seen in the following table :

Table II.

CLASSIFICATION.	All Industries in 1900	12 Schedules in 1903	Percentages represented by the 12 Schedules
Stock used,	\$552,717,955	\$19,289,984	3.49
Persons employed,	497,448	15,902	3.20
Wages paid,	\$228,240,442	\$7,678,486	3.36
Capital invested,	\$823,264,287	\$18,259,735	2.22
Value of goods made,	\$1,035,198,989	\$33,979,642	3.28

These 12 schedules, it is evident, represent slightly less than one-thirtieth of the total value of all goods manufactured in the State in 1900, the actual percentage being 3.28. For stock used it is 3.49, for persons employed 3.20, for wages paid during the year 3.36, and for capital invested 2.22 per cent.

In Table III are given the amounts and percentages for stock used, wages paid, and the excess of the selling price above stock used and wages paid combined.

Table III.

ESTABLISHMENT NUMBERS.	AMOUNTS			PERCENTAGES			
	Stock Used	Wages Paid	Excess of Selling Price over Stock and Wages	Stock Used	Wages Paid	Excess of Selling Price over Stock and Wages	Selling Price
1,	\$928,772	\$450,353	\$331,763	54.29	26.32	19.39	100.00
2,	3,568,560	1,514,004	910,504	59.55	25.26	15.19	100.00
3,	3,209,957	1,458,851	554,924	61.69	23.03	10.28	100.00
4,	1,879,752	975,184	609,083	54.27	28.15	17.58	100.00
5,	1,128,500	217,019	396,887	64.77	12.45	22.78	100.00
6,	827,507	905,463	1,099,789	29.21	31.97	38.82	100.00
7,	1,052,337	132,989	193,645	76.31	9.65	14.04	100.00
8,	2,754,503	1,091,594	1,488,123	51.64	20.46	27.90	100.00
9,	851,685	277,346	752,834	45.26	14.74	40.00	100.00
10,	942,123	144,711	224,805	71.83	11.03	17.14	100.00
11,	1,280,189	190,764	301,835	72.21	10.76	17.03	100.00
12,	866,099	320,208	166,980	64.00	23.66	12.34	100.00
TOTALS,	\$19,289,984	\$7,678,486	\$7,011,172	56.77	22.60	20.63	100.00

Considering the total line we find that stock used represents 56.77 per cent of the selling price, wages paid 22.60 per cent, leaving 20.63 per cent for expenses of all kinds and net profits; in other words, after

the value of stock used is subtracted from the selling price, 43.23 per cent of the selling price remains, of which labor receives more than one-half (22.60 per cent), while the employer has 20.63 per cent from which he must pay salaries, rent of works, taxes, insurance, freight, interest, depreciation, selling expenses, losses by bad debts, and secure his net profit.

Table IV may be called the Manufacturer's Yearly Balance Sheet, for it shows the capital invested, stock used, earnings, and product yearly, for each employee, and the annual return for each dollar of capital invested.

Table IV.

ESTABLISHMENT NUMBERS.	Capital Invested per Employee	Stock Used per Employee	Yearly Earnings per Employee	Yearly Product per Employee	Annual Product for Each Dollar of Capital Invested
1,	\$561.00	\$1,145.00	\$555.00	\$2,110.00	\$3.76
2,	356.00	1,621.00	688.00	2,723.00	7.66
3,	1,212.00	953.00	433.00	1,546.00	1.28
4,	1,648.00	875.00	454.00	1,612.00	0.98
5,	2,155.00	2,939.00	565.00	4,538.00	2.11
6,	548.00	496.00	543.00	1,698.00	3.10
7,	1,681.00	4,385.00	554.00	5,746.00	3.42
8,	1,543.00	983.00	390.00	1,904.00	1.23
9,	937.00	1,108.00	361.00	2,447.00	2.61
10,	1,872.00	2,326.00	357.00	3,259.00	1.73
11,	2,533.00	3,217.00	479.00	4,454.00	1.76
12,	629.00	1,223.00	452.00	1,911.00	3.04
TWELVE ESTABLISHMENTS,	\$1,148.00	\$1,213.00	\$483.00	\$2,137.00	\$1.86

It will be noted that establishments 5, 7, 10, and 11 show a very large yearly product for each employee, but if the value of stock used is considered it will be seen that in each of these cases the value of stock used was unusually large.

We now reach a position to state an industrial axiom. *The employee does not produce by his labor the full selling price of the goods, but only the difference between the value of stock used and the selling price.*

If we apply the axiom to the total line in Table IV we find that the yearly product per employee was not \$2,137, but that sum less \$1,213, the value of stock used per employee, or \$924, being but \$17.77 per week, for producing which he receives a weekly wage of \$9.29 on the average, leaving his employer \$8.48 from which to pay all expenses and secure his profit.

In Table V we apply to each of the 12 establishments the percentage for all expenses (19.20), as determined for All Industries for the year 1885.

Table V.

ESTABLISHMENT NUMBERS.	AMOUNTS (PER EMPLOYEE)				
	Stock Used	Yearly Earnings	Expenses (All Kinds)	Net Profit	Yearly Product per Employee
1,	\$1,145.00	\$555.00	\$405.12	\$4.88	\$2,110.00
2,	1,621.00	688.00	522.82	*108.82	2,723.00
3,	953.00	433.00	296.83	*136.83	1,546.00
4,	875.00	454.00	309.50	*26.50	1,612.00

* Loss.

Table V—Concluded.

ESTABLISHMENT NUMBERS.	AMOUNTS (PER EMPLOYEE)				
	Stock Used	Yearly Earnings	Expenses (All Kinds)	Net Profit	Yearly Product per Employee
5,	\$2,939.60	\$565.00	\$871.30	\$162.70	\$4,538.00
6,	496.00	543.00	326.02	332.98	1,698.00
7,	4,385.00	554.00	1,103.23	*296.23	5,746.00
8,	983.00	300.00	365.57	165.43	1,904.00
9,	1,108.00	361.00	469.82	508.18	2,447.00
10,	2,326.00	357.00	621.89	*65.89	3,239.00
11,	3,217.00	479.00	855.17	*97.17	4,454.00
12,	1,223.00	452.00	366.91	*130.91	1,911.00
Twelve establishments, . . .	\$1,213.00	\$483.00	\$410.30	\$30.70	\$2,137.00

ESTABLISHMENT NUMBERS.	PERCENTAGES (PER EMPLOYEE)				
	Stock Used	Yearly Earnings	Expenses (All Kinds)	Net Profit	Yearly Product per Employee
1,	54.29	26.32	19.20	0.19	100.00
2,	59.55	25.26	19.20	*4.01	100.00
3,	61.69	28.03	19.20	*8.92	100.00
4,	54.27	28.15	19.20	*1.62	100.00
5,	64.77	12.45	19.20	3.58	100.00
6,	20.21	31.97	19.20	19.62	100.00
7,	76.31	9.65	19.20	*5.16	100.00
8,	51.64	20.46	19.20	8.70	100.00
9,	45.26	14.74	19.20	20.80	100.00
10,	71.83	11.03	19.20	*2.06	100.00
11,	72.21	10.76	19.20	*2.17	100.00
12,	64.00	23.66	19.20	*6.86	100.00
Twelve establishments, . . .	56.77	22.60	19.20	1.43	100.00

* Loss.

Although the percentages for expenses as established in the Report for 1890 were based upon more than 10,000 sworn returns from manufacturers and have been considered fair and reasonable, it is evident that marked changes must have taken place as regards the expenses of manufacturing, for only five of the establishments, on the basis used, made a net profit, the other seven showing a loss.

Table V shows, in reality, the manufacturer in account with each employee, the amounts and percentages in the table being on an individual basis, representing one employee in each establishment considered.

Considering the total line, representing the average for the 12 establishments, we obtain the amounts and percentages for Table VI.

Table VI.

CLASSIFICATION.	Amounts	Percentages
Stock used,	\$1,213.00	56.77
Wages paid,	483.00	22.60
Expenses (all kinds),	410.30	19.20
Net profit,	30.70	1.43
TOTAL,	\$2,137.00	100.00

On the above basis of \$30.70 annual profit for each employee the aggregate for 15,902 persons employed would be \$488,191, or 2.67 per cent on the capital invested. Assuming that the expenses ruling in 1885 were

higher than in 1903, if we consider the manufacturer's net profit to be 5.34* per cent instead of 2.67, it would give for each employee a net profit of but \$61.40, and it is from this amount, or \$1.18 a week, on the average, that increased wages for employees in manufacturing industries must necessarily come.

A labor paper in discussing the question "How High Should Wages Go?" says:

If it were not for the idlers and the grafters in every trade, it would be an easy matter to put wages where they belong. But the fact is that both employers and workers are carrying on their backs a great load of idle and dishonest people, who generally get the cream of the profits.

Every man who does actual work, whether with his hands or with his head, should be rewarded. The headworker should get more than the handworker, because he is a rarer breed and harder to get.

But the grafting politician who holds up a railroad by drawing up a fake bill, or by some other kind of a threat, robs both the railroad and the public. The "blue blood" families who draw millions out of the railroad treasuries, and spend the money in luxuries and gambling and all manner of high living, rob both the railroad and the public.

Now, the American plan is that every man shall get, as nearly as possible, just what he is worth. It is as plain as a headlight forty feet away that the workers lose all that the idlers and the grafters get.

Every man who does no work is being supported by somebody, and a man who squanders away \$50,000 in a single night's debauch is being supported by a great many people. Many a cottage has been stripped to fill his palace.

Therefore, you cannot tell how high wages ought to go until the idlers and grafters are legislated out of existence, which will be a long and difficult job. There are some trades in which a little bunch of idlers get more money out of the business than the thousands of workers whose labor keeps everything going.

No one can say that wage-workers are getting all that they deserve as long as the business is being drained by people who are not doing any actual work. Those railroads that are economizing had far better cut off the money they are paying to political grafters and other law-abiding highwaymen, than to take it out of their employees' thin pay envelopes.

Our purpose in writing this article has been to disprove such fallacious statements as were quoted in opening it. We have aimed to be fair to both labor and capital. We wish we could have worked out a larger margin for the manufacturer, for in his surplus over legitimate expenses must be found the expansion of the wage fund. In the Census of 1905 we shall endeavor to secure a new basis, and trust it will show possibilities of increased remuneration for labor after capital has secured an equitable return for its investment and the labor of the "headworkers," who make it productive industrially.

One statement seems incontrovertible. Whether the net profits in the manufacturing industries of the Commonwealth are 2.67 per cent or 5.34 per cent on the capital invested, there seems to be little probability of marked advances in wages, or the amassing of great fortunes under existing conditions, in our manufacturing industries.

* In 1885, 4.83 per cent. See page 399, Bureau Report for 1890.

THE INHERITANCE TAX.

The taxation of collateral, lineal, and succession inheritances in the United States has developed into great importance during the past few years until at the present time we find 29 States and two Territories having laws in operation governing such inheritances.

The United States follow foreign precedence in taxing inheritances, for this means of collecting revenue has been practised in foreign countries for centuries, and is recognized as a legitimate and lucrative source of governmental income. The proportionate amount of tax collected in foreign countries is far in excess, on the whole, of that collected in the United States, inasmuch as the foreign statutes tax lineal as well as collateral heirs. In most cases, the tax rates are graduated according to the amount of the bequest and the degree of relationship of heirs.

The foreign countries having an inheritance tax are: Australasia, Austria, Belgium, British Provinces, Canada (Quebec and Ontario), Denmark, England, France, Germany, Greece, Holland, Italy, Portugal, Russia, Spain, Sweden, and Switzerland.

The inheritance tax in the United States dates back to 1826, Pennsylvania being the first State to enact such a measure. A chronological arrangement of the States and Territories now having the tax, with the year of acceptance of original Act, follows: Pennsylvania, 1826; Maryland and Virginia, 1844 (the Virginian law was repealed in 1884 and re-enacted in 1896); Delaware, 1869; New York, 1885; West Virginia, 1887; Connecticut, 1889; Massachusetts, 1891; California, Hawaii, Maine, Ohio, and Tennessee, 1893; New Jersey, 1894; Illinois, 1895; Iowa and Vermont, 1896; Montana, 1897; Michigan, Missouri, and Wisconsin, 1899; Arkansas, Nebraska, North Carolina, Porto Rico, Utah, and Washington, 1901; Colorado, 1902; and North Dakota, Oregon, and Wyoming in 1903.

Articles 235 and 236 of the State Constitution of Louisiana provide for a direct and collateral inheritance tax for the support of the public schools, but the legislature has not taken measures to levy it and no such tax is collected. Minnesota had an inheritance tax law, but the Supreme Court held same to be unconstitutional. In New Hampshire the legislature of 1878 levied a tax upon legacies and successions; about \$15,000 was collected when the Supreme Court pronounced the Act unconstitutional and the money was refunded: an amendment to the Constitution providing for an inheritance tax was submitted by a Constitutional Convention in December, 1902, and ratified by the people in March, 1903, but there has been as yet no legislative action to carry such provision into

effect. In Rhode Island, a bill for a graduated inheritance tax is before the Senate.

There is no permanent national inheritance tax in this country, but what was known as the War Revenue Act, passed by Congress at the time of the Civil War and again at the outbreak of the Spanish-American War, provided for the imposition of an inheritance tax to enlarge the revenue.

The War Revenue Act of June 13, 1898, levied a tax upon legacies and distributive shares of personal property, when the whole amount of personal property exceeded \$10,000 in value; such property in excess of \$10,000 up to \$25,000 was taxed from three-quarters of one per cent to five per cent according to degree of consanguinity; on bequests exceeding \$25,000, the rates were multiplied according to amount of property left; the only exemptions under the national law were bequests to husband or wife. The revenue derived from the inheritance tax in 1899 was \$1,235,435; in 1900, \$2,884,492; in 1901, \$5,211,899; and in 1902, \$4,842,967.

This Act did not prove to be nearly the revenue getter that its advocates anticipated. Again a great deal of litigation arose, the fact that certain bequests were subject to tax under the national inheritance tax law, under the laws of the State where decedent died, and, in many cases, under the laws of other States, complicating matters. The law was abolished by act of Congress approved April 12, 1902.

Lack of space precludes us from giving an exhaustive account of the inheritance tax in this country. The laws of the different States are long, and the court decisions on the constitutionality and unconstitutionality of the entire Act, or special sections of the law, are many and varied, so that it would be impossible to reproduce them here in full. However, we print *in extenso* the inheritance tax laws of Massachusetts (a collateral tax) and Pennsylvania (a direct and collateral tax). The most important general sections of the New York law are quoted in their entirety.

To give as adequate an idea as possible of the workings of the law we have made a digest of certain sections of the law in each State, showing property taxable, whether tax is direct or collateral, the rate of tax, exemptions, interest, etc. Also there are given for each State and Territory the date of acceptance of Act, the amount of tax collected for the year 1903, interest thereon, number of decedents, and a brief statement of the workings of the law. The presentation follows, the States and Territories being in alphabetical arrangement:

Arkansas.

The Collateral Inheritance Tax law of Arkansas was approved May 23, 1901 (chap. 156), and sections one and two of same were amended by chap. 89, Acts of 1903. The important provisions of the law, amended, follow:

All property within the jurisdiction of this State, and any interest therein, whether belonging to inhabitants of this State or not, tangible or intangible, which shall pass by will or by the intestate laws of this State, or by deed, grant, sale or gift, made or intended to take effect in possession after the death of the grantor to any person or corporation, in trust or otherwise, other than to or for the use of grandmother, grandfather, father, mother, husband, wife, lineal descendant, brother, sister, or any child thereof, an adopted child, or any heir of an adopted child of a decedent, shall be liable to a tax of five per cent of its value for the use of the State. All executors, administrators and other trustees shall be liable for all such taxes with interest until the same have been paid. When any person bequeaths property to or for the use of any of the above named persons (grandmother, grandfather, etc.) during life or for a term of years and the remainder to some relative other than mentioned herein, or to a stranger to the blood, the value of the prior estate shall within sixty days after death of the testator be appraised and deducted from the appraised value of such property, and the tax on the remainder shall be payable one year from the death of said testator, and together with any interest that may accrue on same be and remain a lien on said property until paid to the State. All taxes are payable to the treasurer of the State within one year. If same are not so paid, interest shall be charged and collected until paid at the rate of nine per cent.

The amount of the tax collected for the fiscal year 1903 was \$2,735, being from three decedents: there was no interest thereon. The law is said to operate very satisfactorily.

California.

The Collateral Inheritance Tax law of California was passed March 23, 1893, and is modeled after that of New York State. Amendments were made in 1895, 1897, 1899, and 1903. The law, in part, follows:

All property within the jurisdiction of the State, whether belonging to resident or not, passing to any person or persons, or to any body politic or corporate, in trust or otherwise, or by reason whereof any person or body politic or corporate shall become beneficially entitled, in possession or expectancy, to any property, or to the income thereof, other than to or for the use of his or her father, mother, husband, wife, lawful issue, the wife or widow of a son, or the husband of a daughter, or any child or children adopted under the laws of California, or to any person to whom the deceased, for not less than 10 years prior to death stood in the mutually acknowledged relation of a parent, or to any lineal descendant of such decedent born in lawful wedlock, or any lineal ancestor, or the societies, corporations, and institutions now or hereafter exempted by law from taxation, or to any public corporation, or to any society, corporation, institution, or association of persons engaged in or devoted to any charitable, benevolent, educational, public, or other like work (pecuniary profit not being its object or purpose), or to any person, society, corporation, institution, or association of persons in trust for or to be devoted to any charitable, benevolent, educational, or public purpose, by reason whereof any such person or corporation shall become beneficially entitled in possession or expectancy, to any such property, or to the income thereof, shall be and is subject to a tax of five dollars on every hundred dollars of the market value of such property, and at a proportionate rate for any less amount, to be paid to the treasurer of the proper county for the use of the State; *provided*, that an estate which may be valued at a less sum than \$500 shall not be subject to such duty or tax.

When any succession upon which a tax is imposed shall be for a term of years, or for life, or determinable upon any future or contingent event, or shall be a remainder, reversion, or other expectancy, real or personal, the entire property shall be appraised and the market value thereof determined, and the tax shall be due and payable to the treasurer of the proper county, together with the interest thereon. If the parties chargeable with said tax may elect not to pay same until they come within full and actual possession, they shall execute a bond in a penalty of twice the amount of the tax arising upon personal estate. A full and verified return of such property must be paid by such parties, and filed in the office of the county clerk within one year from death of decedent, and within that period enter into such security, and renew the same every five years.

All taxes imposed are payable at death of decedent, and if paid within 18 months no interest shall be charged; if not paid within that time, interest at the rate of 10 per cent shall be charged from the time said tax accrued, except where the delay is unavoidable where only seven per cent interest shall be charged until cause of such delay is removed. If said tax is paid within six months from the accruing thereof, a discount of five per cent shall be deducted. Taxes are payable into the State Treasury for the uses of the State School Fund.

The amount collected from the collateral inheritance tax for the year ending June 30, 1903, was \$290,447, including interest.

Colorado.

The present Inheritance Tax law of Colorado went into operation March 22, 1902. It will be seen from a digest of the law, which follows, that the tax includes lineal as well as collateral beneficiaries, and that the assessments are graduated according to degree of relationship and amount of money bequeathed. The law taxes:

All property, real, personal, and mixed, of any person dying while a resident of Colorado, or if decedent was not a resident of the State at the time of his death, such property or any part thereof, or any interest therein or income therefrom, which shall be within this State shall also be subject to tax. The rate of tax shall be two dollars on every hundred dollars of the clear market value of property received by each of the following persons, provided that the sum of \$10,000 of any such estate shall not be subject to tax, and that only the amount in excess of \$10,000 shall be taxed: Father, mother, husband, wife, child, brother, sister, wife or widow of the son or the husband of the daughter, or any child or children adopted as such in conformity with the laws of the State of Colorado, or any person to whom the deceased, for not less than 10 years prior to death, stood in the acknowledged relation of a parent, or any lineal descendant born in lawful wedlock. The rate of tax shall be three dollars on every one hundred dollars of the clear market value of property received by each of the following persons: Uncle, aunt, niece, nephew or any lineal descendant of the same. In all other cases the rate shall be as follows: On each and every hundred dollars of the clear market value of all property and at the same rate for any less amount; on all estates of \$10,000 and less, \$3; on all estates of over \$10,000 and not exceeding \$20,000, the rate of \$4; on all estates over \$20,000 and not exceeding \$50,000, the rate of \$5; and on all estates over \$50,000, the rate of \$6; provided, that an estate valued at less than \$500 shall not be subject to tax.

When property is bequeathed to mother, father, husband, wife, brother, sister, the widow of the son, husband of the daughter, or a lineal descendant during life or for a term of years and remainder to the collateral heir of the decedent at their decease, said life estates or estates for a term of years are not taxed; the property shall be appraised, the value of life estates or estates for a term of years deducted, and the remainder shall be subject to tax together with interest thereon until paid. If beneficiaries chargeable with said tax elect not to pay same until they come into full possession, they shall give a bond, make full return of such remainder within one year from death of decedent, and renew securities each five years.

Interest at the rate of six per cent shall be charged on all taxes remaining unpaid six months after death of decedent: taxes paid within six months from accruing shall have five per cent discount deducted from said tax.

The approximate amount collected to date is about \$4,000, and the number of decedents is 14. This small amount of tax does not adequately show the means of the inheritance tax in Colorado as a revenue getter, owing to the fact that the validity of the law is now being contested in the courts and that a large sum of money, due the State on account of the inheritance tax, is being withheld.

Connecticut.

The Collateral Inheritance Tax law of Connecticut was passed in 1889 and repealed in 1897, when an act providing for a succession tax was enacted (chap. 201).

This law, three times amended, is now in force; the first two amendments affected the law only locally, while the third, passed May 6, 1903, was a retaliatory amendment. The law provides that:

So much of the estate of any deceased person as exceeds \$10,000 shall be subject to tax. In all such estates any property within the jurisdiction of the State, whether tangible or intangible, whether belonging to residents or non-residents, passing to parent or parents, husband, wife, or lineal descendants or legally adopted child of the deceased person, shall be liable to a tax of one-half of one per cent of its value for the use of the State; such property, or interest therein, passing to collateral kindred, or to strangers to the blood, or to any corporation, voluntary association, or society, shall be liable to a tax of three per cent of its value. All executors and administrators shall be liable for all such taxes with interest thereon at the rate of nine per cent until paid.

Where a life estate or an annuity is bequeathed to a parent or parents, husband, wife, or lineal descendants, and remainder over to collateral kindred, or to strangers to the blood, or to a corporation, voluntary association or society, the tax of one-half of one per cent shall be paid out of the principal sum or estate so bequeathed or devised for life, or constituting the fund producing said annuity, and the remaining two and one-half per cent due from collateral kindred or strangers to the blood shall be paid out of the said principal sum at the expiration of the particular estate or annuity. Where a life estate or annuity is bequeathed to collateral kindred or strangers to the blood, or to a corporation, voluntary association, or society, with remainder to parent, or parents, husband, wife, or lineal descendants, or legally adopted child, a tax of three per cent shall be paid out of the principal sum or fund producing said annuity; on the termination of said life estate or annuity the treasurer of the state shall refund and pay to the person or persons entitled to the remainder five-sixths of said tax.

The succession tax brought a revenue to the State in 1903 of \$249,730, collected from about 500 estates. The amount of tax collected under the collateral inheritance tax law of 1889, for the last year it was in operation (1897), was \$77,492. This shows the great difference in the old and new law as a source of revenue to the State. The greatest tax collected in any one year from inheritance amounted to \$335,735 for the year 1902.

Delaware.

The Collateral Inheritance Tax law of Delaware was enacted April 8, 1869, and levies a tax only where the beneficiary is a stranger in blood to the testator, and exempts all estates the value of which shall not exceed \$500. The rate of tax is five per cent. The tax provides but little revenue to the State, the amount collected for the year 1903 being \$1,618, nearly all of which came from the city of Wilmington. The tax is collected by the Register of Wills of the proper county and turned into the State Treasury four times a year.

Hawaii.

An Act relating to duties on legacies, bequests, and inheritances in Hawaii was approved January 12, 1893, under chap. 106. Act 21, session of 1896, amended section one of said Act. Act 31, chap. 30, session of 1903, specifies that the tax shall be paid to the Treasurer of the Territory for the use of the Territory. The Inheritance Act, in part, follows:

All property, within the jurisdiction of Hawaii, passing by will or by the intestate laws of the Territory from any decedent, whether resident or non-resident, to any person or persons other than to or for the use of father, mother, husband, wife, child, adopted child (according to the laws of Hawaii), or grandchild, or incorporated or private schools now exempted by law from taxation, shall be subject to a tax of \$5 on every \$100; *provided*, that an estate valued at a less sum than \$500 shall not be subject to such tax.

Illinois.

The act taxing gifts, legacies, and inheritances in Illinois was passed in 1895 and amended in 1901. In the original law none were exempt from the tax, but one of the amendments of 1901 exempted gifts to hospitals and religious, educational, and charitable institutions.

The inheritance tax provides for graduated assessments from one to six per cent, levied according to the degree of kinship and the amount of money bequeathed. The law in part relating to the rate of tax, exemptions, life estates, and interest follows :

All property, real, personal, and mixed, within the jurisdiction of the State, whether decedent was a resident or not at the time of his death, shall be subject to tax. When the interests pass to father, mother, husband, wife, child, brother, sister, wife or widow of the son or the husband of the daughter, or any child or children adopted as such in conformity with the laws of the State of Illinois, or to any person to whom the deceased for not less than 10 years prior to death stood in the acknowledged relation of a parent, or to any lineal descendant born in lawful wedlock, the tax shall be \$1 on every \$100 of the clear market value of such property received by each person; provided, that any estate valued at less than \$20,000 shall not be subject to tax, each person to be taxed only upon property received in excess of \$20,000. When the interests pass to uncle, aunt, niece, nephew or any lineal descendant of the same, the tax shall be \$2 on every \$100 received by each person in excess of \$2,000 so received by each person. The rates for all other cases follow: On each and every \$100 and at the same rate for any less amount; on all estates of \$10,000 and less, \$3; on all estates of over \$10,000 and not exceeding \$20,000, \$4; estates over \$20,000 and not exceeding \$50,000, \$5; estates over \$50,000, \$6; provided; that no estate which may be valued at a sum less than \$500 shall be subject to tax.

When interests pass to or for the use of any hospital, religious, educational, bible, missionary, tract, scientific, benevolent or charitable purpose, or to any trustee, bishop, or minister of any church or religious denomination, held and used exclusively for the religious, educational, or charitable uses and purposes of such church or religious denominations, the same shall not be subject to any tax; but this provision shall not apply to any corporation having the right to make dividends or distribute profits among its members.

When the estate is left for life or for a term of years to a lineal descendant, the remainder to revert to a collateral heir of the decedent, no tax shall be levied; the property so passing shall be appraised and after deducting the value of said life estate or term of years, the tax on the remainder shall be immediately due, together with the interest thereon. If the beneficiary does not elect to pay the tax until he or she shall come into actual possession of same, he will give a bond to the State in the penalty of three times the amount of the tax arising upon such estate and the interest thereon. A full verified return shall be made within one year from the death of the decedent and renewed every five years.

If taxes are paid within six months from the death of the decedent no interest shall be charged, but a discount of five per cent shall be deducted from said tax, otherwise interest at the rate of six per cent shall be charged on all taxes until paid.

The total inheritance tax collected for the fiscal year 1903 amounted to \$519,320. Of this amount nearly \$500,000 was collateral inheritance. The approximate number of decedents was 220.

Iowa.

The law taxing collateral inheritances in Iowa went into effect July 4, 1896, and was re-enacted as Chap. 4, Title VII, Code of 1897. Amendatory acts went into effect in 1898 and 1900. Chapter 55, Acts of 1903, pertains to collateral inheritances fixing the compensation of appraisers of property. Chapter 63, Acts of 1903, relates to refunding surplus collateral inheritances. The tax collected from this source for the fiscal

year 1903 was approximately \$138,000, including interest. The approximate number of decedents was 460. A digest of the law in part follows :

All property within the jurisdiction of the State, whether belonging to inhabitants or not, and whether tangible or intangible, passing to any person in trust or otherwise, other than to or for the use of the father, mother, husband, wife, lineal descendant, adopted child, the lineal descendant of an adopted child, or to or for charitable, educational or religious societies or institutions within the State, shall be subject to a tax of five per cent of its value above the sum of \$1,000 after payment of all debts for the use of the State. The tax shall be and remain a lien on such estate until paid.

Taxes shall be payable to the treasurer within 15 months from the death of decedent, or within 15 months from assuming of the trust by such trustee unless a longer period is fixed. All taxes not paid within the time prescribed shall draw interest at the rate of eight per cent a year.

Maine.

The inheritance tax of Maine is purely collateral in its nature, the law exempting all beneficiaries except strangers to the blood; all educational, charitable, religious, and benevolent institutions in the State are exempt. The law was enacted in 1893, and amended in 1895, 1901, and 1903. That part of the law relating to those subject to the tax, remainder of any property bequeathed to a collateral heir, interest, etc., is condensed as follows :

All property within the jurisdiction of the State, and any interest therein, whether belonging to residents or non-residents, and whether tangible or intangible, which shall pass to any person other than to or for the use of the father, mother, husband, wife, lineal descendant, adopted child, the lineal descendant of any adopted child, the wife or widow of a son or the husband of a daughter of a decedent, or any educational, charitable, religious, or benevolent institution in the State, shall be liable to a tax of four per cent of its value above the sum of \$500 for the use of the State.

When property is bequeathed to or for the use of the father, mother, husband, wife, lineal descendant, an adopted child, the lineal descendant of any adopted child, the wife or widow of a son or the husband of a daughter, during life or for a term of years, and the remainder to a collateral heir other than an educational, charitable, or benevolent institution, the value of the prior estate shall within three months be appraised and deducted, together with the sum of \$500 from the appraised value of such property; said tax on the remainder shall be payable one year from the death of said testator, together with any interest that may accrue on same.

All taxes remaining unpaid at the end of 30 days from the date determining the amount thereof shall be paid on interest at the rate of nine per cent.

The amount of the collateral inheritance paid in 1903 was \$31,227, the number of decedents being 149.

It has been recommended that the Maine law should be made more stringent inasmuch as it is sometimes difficult to secure disclosures by executors of the amount of property which is taxable.

Maryland.

The Collateral Inheritance Tax law of Maryland was enacted in 1844 and amended in 1864, 1874, 1880, 1892, and 1894. Under the law :

Taxes are levied upon all bequests in excess of \$500 except those to or for the use of the father, mother, husband, wife, children and lineal descendants of decedent. The amount of the tax is two and one-half per cent on each one hundred dollars. Taxes are payable to the Register of Wills of the proper county within 13 months from appointment of administrator. If not paid within that time, the Orphans' Court shall order administrator to sell for cash so much of

real estate as may be necessary to pay tax, all expenses of sale, including the commissions of administrator. In cases of a life estate or interest for a term of years, or a contingent interest given to one party and the reversionary interest to another, the Orphans' Court shall determine the proportion of tax payable by each party; taxes are due within 30 days from determination of Court.

The amount of collateral inheritance tax collected in 1903 was \$89,487, three-fourths of which, *i.e.*, \$67,115, was paid into the State Treasury; there was no interest calculated on this amount.

Massachusetts.

The Collateral Legacy and Succession Tax law of Massachusetts was enacted in 1891, chap. 425. The law was incorporated under the Revised Laws of 1902 as chap. 15. The original law was amended in 1892, 1895, 1896, 1900, 1901, and 1903. In addition thereto, laws were passed relating to the subject in 1903 and 1904.

The proposition relating to a direct inheritance tax in the Commonwealth has been agitated for some time, it being claimed that the present law with its many exemptions is not a source of much revenue to the State. During the session of 1904 a bill was introduced in the House imposing a tax on direct inheritances, legacies, successions, and transfers of property. The only exemptions provided for in the draft were bequests to charitable, educational, or religious societies or institutions, or to cities or towns for public purposes; lineal heirs were to be taxed two per cent on all allowances above \$5,000 of personal estate and \$15,000 of real estate. This bill was rejected in the Senate.

The amount of tax collected for the year ending December 31, 1903, was \$506,147, the amount of interest thereon aggregating \$12,479. The collections were made from the estates of approximately 650 decedents, 75 of whom were non-residents.

We present below, from the Report of the Treasurer and Receiver-General for 1903, a table showing the amount of tax and interest from the time the law became operative to 1903, inclusive.

YEARS.	Tax	Interest	YEARS.	Tax	Interest
1892,	\$13,855	-	1899,	\$478,759	\$6,104
1893,	59,419	-	1900,	397,940	6,460
1894,	239,369	\$7,761	1901,	506,093	8,044
1895,	419,177	11,679	1902,	427,753	5,357
1896,	275,573	3,344	1903,	506,147	12,479
1897,	501,360	6,792			
1898,	563,672	8,423			
			TOTALS,	\$4,389,117	\$77,043

In order to show the entire workings and conditions of the law in our own State we give the laws on the subject *in extenso*.

Revised Laws, 1902, Chap. 15, Amended by Chap. 248, Acts of 1903. Of the Taxation of Collateral Legacies and Successions.

§ 1. All property within the jurisdiction the commonwealth, corporeal or incorporeal, and any interest therein, whether belonging to inhabitants of the commonwealth or not, which shall pass by will, or by the laws regulating intestate succession, or by deed, grant, sale or gift,

made or intended to take effect in possession or enjoyment after the death of the grantor, to any person, absolutely or in trust, except to or for the use of the father, mother, husband, wife, lineal descendant, brother, sister, adopted child, the lineal descendant of any adopted child, the wife or widow of a son, or the husband of a daughter, of a decedent, or to or for the use of charitable, educational or religious societies or institutions, the property of which is by law exempt from taxation, or to a city or town for public purposes, shall be subject to a tax of five per cent of its value, for the use of the commonwealth; and administrators, executors and trustees, and any such grantees under a conveyance made during the grantor's life, shall be liable for such taxes with interest, until the same have been paid; but no bequest, devise or distributive share of an estate, unless its value exceeds five hundred dollars, shall be subject to the provisions of this chapter.

§ 2. If a person bequeaths or devises property to or for the use of a father, mother, husband, wife, lineal descendant, brother, sister, an adopted child, the lineal descendant of an adopted child, the wife or widow of a son, or the husband of a daughter, for life or for a term of years, with the remainder to a collateral heir or to a stranger to the blood, the value of such particular estate shall, within three months after the appointment of the executor, administrator or trustee, be appraised in the manner provided in section sixteen and deducted from the appraised value of such property, and the remainder shall be subject to a tax of five per cent of its value.

§ 3. If a testator gives, bequeaths or devises to his executors or trustees any property otherwise liable to said tax, in lieu of their compensation, the value thereof in excess of reasonable compensation, as determined by the probate court upon application of any interested party or the treasurer and receiver general, shall nevertheless be subject to the provisions of this chapter.

§ 4. Taxes imposed by the provisions of this chapter shall be payable to the treasurer and receiver general by the executors, administrators or trustees, at the expiration of two years after the date of their giving bond; but if legacies or distributive shares are paid within the two years, the taxes thereon shall be payable at the same time. If the probate court acting under the provisions of section thirteen of chapter one hundred and forty-one has ordered the executor or administrator to retain funds to satisfy a claim of a creditor, the payment of the tax may be suspended by the court to await the disposition of such claim. If the taxes are not paid when due, interest shall be charged and collected from the time the same became payable; and said taxes and interest shall be and remain a lien on the property subject to the taxes until the same are paid.

§ 5. An executor, administrator or trustee holding property subject to said tax shall deduct the tax therefrom or collect it from the legatee or person entitled to said property, and he shall not deliver property or a specific legacy subject to said tax until he has collected the tax thereon. An executor or administrator shall collect taxes due upon land which is subject to tax under the provisions hereof from the heirs or devisees entitled thereto, and he may be authorized to sell said land according to the provisions of section eight if they refuse or neglect to pay said tax.

§ 6. If a legacy subject to said tax is charged upon or payable out of real estate, the heir or devisee, before paying it, shall deduct said tax therefrom and pay it to the executor, administrator or trustee, and the tax shall remain a charge upon said real estate until it is paid. Payment thereof may be enforced by the executor, administrator or trustee in the same manner as the payment of the legacy itself could be enforced.

§ 7. If a pecuniary legacy is given to any person for a limited period, the executor, administrator or trustee shall retain the tax on the whole amount; but if it is not in money, he shall apply to the probate court having jurisdiction of his accounts to make an apportionment, if the case requires it, of the sum to be paid into his hands by such legatee on account of said tax, and for such further orders as the case may require.

§ 8. The probate court may authorize executors, administrators and trustees to sell the real estate of a decedent for the payment of said tax in the same manner as it may authorize them to sell real estate for the payment of debts.

§ 9. An inventory of every estate, any part of which may be subject to a tax under the provisions of this chapter, shall be filed by the executor, administrator or trustee within three months after his appointment. If he neglects or refuses to file such inventory, he shall be liable to a penalty of not more than one thousand dollars, which shall be recovered by the treasurer and receiver general; and the register of probate shall notify the treasurer and receiver general of any such neglect or refusal within thirty days after the expiration of the said three months.

§ 10. A copy of the inventory and appraisal of every estate, any part of which is subject to a tax under the provisions of this chapter or, if the estate can be conveniently separated, a copy of the inventory and appraisal of such part, shall within thirty days after it has been filed be sent by the register of probate, by mail, to the treasurer and receiver general without charge therefor. A refusal or neglect by the register of probate so to send a copy of such inventory and appraisal shall be a breach of his official bond.

§ 11. If real estate of a decedent so passes to another person as to become subject to said tax, his executor, administrator or trustee shall inform the treasurer and receiver general thereof within six months after his appointment, or if the fact is not known to him within that time, then within one month after the fact becomes known to him.

§ 12. If a foreign executor, administrator or trustee assigns or transfers any stock or obligation in any national bank located in this commonwealth or in any corporation organized under the laws of this commonwealth, owned by a deceased non-resident at the date of his death and liable to a tax under the provisions of this chapter, the tax shall be paid to the treasurer and receiver general at the time of such assignment or transfer, and if it is not paid when due such executor, administrator or trustee shall be personally liable therefor until it is paid. A bank located in this commonwealth or a corporation organized under the laws of this commonwealth which shall record a transfer of any share of its stock or of its obligations made by a foreign executor, administrator or trustee, or issue a new certificate for a share of its stock or of the transfer of an obligation at the instance of a foreign executor, administrator or trustee, before all taxes imposed thereon by the provisions of this chapter have been paid, shall be liable for such tax in an action of contract brought by the treasurer and receiver general.

§ 13. Securities or assets belonging to the estate of a deceased non-resident shall not be delivered or transferred to a foreign executor, administrator or legal representative of said decedent, unless such executor, administrator or legal representative has been licensed to receive such securities or assets under the provisions of section three of chapter one hundred and forty-eight, without serving notice upon the treasurer and receiver general of the time and place of such intended delivery or transfer seven days at least before the time of such delivery or transfer. The treasurer and receiver general, either personally or by representative, may examine such securities or assets at the time of such delivery or transfer. Failure to serve such notice or to allow such examination shall render the person or corporation making the delivery or transfer liable in an action of contract brought by the treasurer and receiver general to the payment of the tax due upon said securities or assets.

§ 14. The treasurer and receiver general shall be made a party to all petitions by foreign executors, administrators or trustees brought under the provisions of section three of chapter one hundred and forty-eight, and no decree shall be made upon any such petition unless it appears that notice of such petition has been served on the treasurer and receiver general fourteen days at least before the return day of such petition.

§ 15. If a person who has paid such tax afterward refunds a portion of the property on which it was paid or if it is judicially determined that the whole or any part of such tax ought not to have been paid, said tax, or the due proportion thereof, shall be repaid to him by the executor, administrator or trustee.

§ 16. Said tax shall be assessed upon the actual value of said property as found by the probate court. Upon the application of the treasurer and receiver general or of any party interested in the succession, the probate court shall appoint three disinterested appraisers who, first being sworn, shall appraise such property at its actual market value and shall make return thereof to said court. Such return, when accepted by said court, shall be final. The fees of said appraisers, as determined by the judge of said court, shall be paid by the treasurer and receiver general. The value of an annuity or life estate shall be determined by the "actuaries' combined experience tables," at four per cent compound interest.

§ 17.* The probate court having jurisdiction of the settlement of the estate of the decedent shall, subject to appeal as in other cases, hear and determine all questions relative to said tax affecting any devise, legacy or inheritance, and the treasurer and receiver general shall represent the commonwealth in any such proceedings. The probate court shall also have jurisdiction in like proceedings to discharge the lien created by this act or any amendment thereof on any real estate or separate parcel thereof, and shall make such order or decree as will otherwise secure to the commonwealth the payment of any tax due or to become due on such real estate or separate parcel thereof.

§ 18. If, upon the decease of a person leaving an estate liable to a tax under the provisions of this chapter, a will disposing of such estate is not offered for probate, or an application for administration made within four months after such decease, the proper probate court, upon application by the treasurer and receiver general, shall appoint an administrator.

§ 19. No final account of an executor, administrator or trustee shall be allowed by the probate court unless such account shows, and the judge of said court finds, that all taxes imposed by the provisions of this chapter upon any property or interest therein belonging to the estate to be settled by said account have been paid; and the receipt of the treasurer and receiver general for such tax shall be the proper voucher for such payment.

§ 20. The treasurer and receiver general shall commence an action for the recovery of any of said taxes within six months after the same become payable; and also whenever the judge

* As amended April 16, 1903.

of a probate court certifies to him that the final account of an executor, administrator or trustee has been filed in such court and that the settlement of the estate is delayed because of the non-payment of said tax. The probate court shall so certify upon the application of any heir, legatee, or other person interested therein, and may extend the time of payment of said tax whenever the circumstances of the case require.

Chap. 251, Acts of 1903.

AN ACT TO AUTHORIZE THE TREASURER AND RECEIVER GENERAL TO EFFECT SETTLEMENT OF THE TAX ON COLLATERAL LEGACIES AND SUCCESSIONS IN CERTAIN CASES.

Be it enacted, etc., as follows :

§ 1. In every case where there shall be a devise, descent or bequest to collateral heirs or strangers liable to the collateral legacy tax, conditioned upon the happening of a contingency or dependent upon the exercise of a discretion, the treasurer and receiver general may, with the approval of the attorney-general, effect such settlement of the tax as he shall deem to be for the best interests of the Commonwealth, and payment of the sum so agreed upon shall be a full satisfaction of such tax.

§ 2. This act shall take effect upon its passage. [*Approved April 17, 1903.*]

Chap. 276, Acts of 1903.

AN ACT RELATIVE TO TAXES UPON COLLATERAL LEGACIES AND SUCCESSIONS.

Be it enacted, etc., as follows :

§ 1. In all cases where there has been or shall be a devise, descent or bequest to collateral relatives or strangers to the blood, liable to collateral inheritance tax, to take effect in possession or come into actual enjoyment after the expiration of one or more life estates or a term of years, the tax on such property shall not be payable nor interest begin to run thereon until the person or persons entitled thereto shall come into actual possession of such property, and the tax thereon shall be assessed upon the value of the property at the time when the right of possession accrues to the person entitled thereto as aforesaid, and such person or persons shall pay the tax upon coming into possession of such property. Upon the filing of the bond hereinafter required the executor or administrator of the decedent's estate may settle his account in the probate court without being liable for said tax: *provided*, that such person or persons may pay the tax at any time prior to their coming into possession, and in such cases the tax shall be assessed on the value of the estate at the time of the payment of the tax, after deducting the value of the life estate or estates for years; and *provided, further*, that the tax on real estate shall remain a lien on the real estate on which the same is chargeable until it is paid. Any person or persons beneficially interested in remainder or reversion in any personal property liable to a tax upon which such tax is postponed by the provisions of this section shall, within one year after the date of the death of the decedent, give bond to a judge of the probate court having jurisdiction of the estate of such decedent, in such amount and with such sureties as said court may approve, conditioned upon the payment of such tax at the time or period when such person or persons shall come into possession or actual enjoyment of the same. If any such person or persons shall fail to file such bond within the period required the tax shall be due and payable under the provisions of section four of chapter fifteen of the Revised Laws.

§ 2. This act shall take effect upon its passage, but shall not apply to the estate of any person who died before the passage thereof. (*As amended: original law passed June 12, 1902, chap. 473.*) [*Approved April 29, 1903.*]

Chap. 421, Acts of 1904.

AN ACT TO AUTHORIZE THE TREASURER AND RECEIVER GENERAL TO EFFECT SETTLEMENTS OF TAXES ON COLLATERAL LEGACIES OR SUCCESSIONS IN CERTAIN CASES.

Be it enacted, etc., as follows :

§ 1. In all cases where there has been or shall be a bequest or devise of property to or for the use of a father, mother, husband, wife, lineal descendant, brother, sister, an adopted child, a lineal descendant of an adopted child, the wife or widow of a son, or the husband of a daughter, for life or for a term of years, which gives to such tenant for life or term of years the power of appointing by deed or will or both the further disposition of such property or any part thereof, the treasurer and receiver general may, with the approval of the attorney-general, effect such settlement of the tax on the interest of any unascertained appointees under such power and of any unascertained person who may take in default of appointment under such power, as he shall deem to be for the best interests of the Commonwealth: and payment of the sum so agreed upon shall be a full satisfaction of such tax.

§ 2. This act shall take effect upon its passage. [*Approved June 3, 1904.*]

Michigan.

In 1899 the legislature of Michigan passed an inheritance tax law which was amended in 1903, the amendments covering all but one section of the act. The law, as a whole, has been sustained by the Supreme Court, but one or two minor provisions being declared unconstitutional. The amount of tax collected for the fiscal year ending June 30, 1903, was \$164,572, the interest thereon being \$10,002. The number of decedents where the transfers in connection with their estates were taxable was 272. The law provides:

A tax of five per cent shall be imposed upon the transfer of any property, real or personal, of the value of \$100 or over to persons or corporations not exempt by law from taxation, except where the bequest passes to father, mother, husband, wife, child, brother, sister, wife or widow of a son, or the husband of a daughter, or to or for the use of any child or children adopted as such in conformity with laws of Michigan, or any person to whom decedent stood for not less than 10 years prior to such transfer in the mutually acknowledged relation of parent, or to any lineal descendant of such decedent.

In the aforesaid cases transfer of property shall not be taxable unless it is personal property of the clear market value of \$2,000 or over, in which case the entire transfer shall be taxed at the rate of one per cent upon the clear market value thereof. Every such tax shall be and remain a lien upon the property transferred until paid. If tax is paid within 12 months from the accruing thereof, a discount of five per cent shall be deducted; if such tax is not paid within 18 months interest shall be charged at the rate of eight per cent from the time the tax accrued. All taxes levied under this act shall be paid into the State treasury and be applied in paying the interest upon the primary school, university and other educational funds, and the interest and principal of the State debt until the extinguishment of the State debt other than the amounts due to educational funds, when such taxes shall be added to and constitute a part of the primary school interest fund, in pursuance of and in compliance with Sec. 1 of Art. 14 of the Constitution of this State.

Missouri.

The law taxing collateral inheritances in Missouri went into effect August 20, 1899. Amendments were made thereto in 1901 and 1903, the latter amendment relating to fees of the county collector for collection of inheritance tax. The digest of the law follows:

All property, real or personal, within the jurisdiction of the State, belonging to resident or non-resident, which passed by inheritance to any party except father, mother, husband, wife, natural or legally adopted child, or direct lineal descendant of the decedent, unless given to some educational, charitable, or religious purpose exclusively, is subject to a five per cent tax. Where a party dies without a will and leaves no children, grandchildren, father, mother, or legally adopted child surviving him, and the heirs under the statute are his collateral relatives, such as brothers, sisters, nephews, nieces, etc., then the property becomes taxable. Property descending to parents and brothers and sisters and their descendants, that portion which goes to the parent is exempt from the tax, but that which goes to the others named is taxable. A rebate of five per cent is allowed upon taxes paid six months after death of deceased; if paid within 12 months no interest is charged but if not paid within that time the interest charged is 12 per cent a year. If cause is shown for extension of time of payment, interest is put at six per cent. The State has the first lien for the amount of the tax upon all real and other property subject thereto.

Under certain conditions a proportion of the money received from the tax is credited to the fund in the treasury known as the "State seminary moneys," for the maintenance, etc., of the university of the State of Missouri. A proportion is also set apart for the fund known as the "educational fund."

The amount collected on the tax for the fiscal year 1903 is \$142,564.

Montana.

The act establishing a tax on direct and collateral inheritances was passed March 4, 1897, and has not since been amended. Under the law, bequests of property are taxed five per cent, except when bequeathed to near relatives. Personal property to relatives is taxed one per cent on all amounts of \$7,500 or over; collateral heirs pay five per cent on all amounts of \$500 or over. Sixty per cent of tax goes to the State and 40 per cent to the county. A digest of the first sections of the law follows:

All property within the jurisdiction of the State, belonging to resident or non-resident, passing to heirs, other than father, mother, husband, wife, lawful issue, brother, sister, the wife or widow of the son, or the husband of a daughter, or any child or children adopted as such in conformity with the laws of the State of Montana, and any lineal descendant of such decedent born in lawful wedlock shall be taxed five dollars on every one hundred dollars. When the beneficial interest to any personal property passes to father, mother, husband, wife, child, brother, sister, wife or widow of the son, or the husband of a daughter, or any legally adopted child, or to any person to whom the deceased, for not less than 10 years prior to death, stood in mutually acknowledged relation of a parent, or to any lineal descendant born in lawful wedlock, the rate of tax shall be one dollar on every hundred dollars, provided that no estate valued at less than \$7,500 shall be subject to tax. In all other cases, the rate shall be five dollars on every hundred dollars, provided that no estate valued at less than \$500 shall be taxed. Taxes are due at death of decedent; if paid within 10 months, no interest shall be charged; otherwise, interest shall be 10 per cent a year; if taxes are paid within six months from date of accruing, a discount of three per cent shall be deducted from tax. The State shall receive 60 per cent of the tax for the use of the general fund and the county 40 per cent for the use of the general school fund.

The income from the collateral inheritance tax for the year 1903 amounted to \$14,536.

Nebraska.

Chapter 54, Acts of 1901, taxes all inheritances passing by will or by the intestate laws of Nebraska: the law has not been amended. Although the law taxes lineal as well as collateral heirs, only sums in excess of large amounts are taxable and the rates are small so that the imposition of the tax has not proved to be an important factor as a source of revenue for the State. The total amount of tax collected up to March, 1904, was \$4,189, the number of decedents for the year 1903 being 16. The persons taxed and rates imposed may be gleaned from the following:

All property within the jurisdiction of the State, whether belonging to resident or non-resident, is taxable. When the beneficial interests to any property pass to father, mother, husband, wife, child, brother, sister, wife or widow of the son or husband of the daughter, or any child or children adopted as such in conformity with the laws of the State of Nebraska, or to any person to whom the deceased for not less than 10 years prior to death stood in the acknowledged relation of the parent, or to any lineal descendant born in lawful wedlock, the rate shall be \$1 on every \$100 of the clear market value of such property received by each person: provided, any estate which may be valued at a less sum than \$10,000 shall not be subject to tax, and all amounts in excess of \$10,000 received by each person shall be subject to tax. When the beneficial interests pass to uncle, aunt, niece, nephew, or other lineal descendant of same, the rate shall be \$2 on every \$100 on sums received by each person in excess of \$2,000. In all other cases the rate shall be as follows: On each and every \$100 of the clear market value of all property and at the same rate for any less amount, \$2; on all estates of \$10,000 and less, \$3; on all estates of over \$10,000, not exceeding \$20,000, \$4; on all estates over \$20,000, and not exceeding \$50,000, \$5; on all estates over \$50,000, \$6; provided, that an estate in the above cases which may be valued at a sum less than \$500 shall not be subject to tax.

Taxes are payable at the death of decedent, and interest at the rate of seven per cent a year shall be charged for such time as taxes are not paid; provided, that if said tax is paid within six months from the accruing thereof interest shall not be charged.

New Jersey.

The Collateral Inheritance Tax law of New Jersey was approved May 15, 1894, as chap. 210. In 1898, a supplement to the act was passed (chap. 62) by which certain gifts and legacies were exempt from tax. The laws of 1902, chap. 217, amended that section of tax law relating to notification of State Comptroller to prosecutor of failure to pay. In 1903, the law was again supplemented (chap. 90), under which supplement taxes in remainder were to be immediately taxed. As will be seen from the following extract, the nature of the tax is purely collateral, direct relatives being exempt; all religious, benevolent, and charitable institutions are also excepted:

All property within the jurisdiction of the State, belonging to a decedent, is subject to a five per cent tax, except any estate which may be valued at a sum less than \$500, which estate is not taxable; *provided*, that bequests left to the following persons; or for the following purposes, shall not be taxed: Father, mother, husband, wife, children, brother or sister, or lineal descendants born in lawful wedlock, or the wife or widow of a son, or the husband of a daughter; churches, hospitals and orphan asylums, public libraries, bible and tract societies, and all religious, benevolent and charitable institutions and organizations. Supplement of 1898 further exempts: Bequests to any Bible or tract society, or religious institution, boards of the church or organizations thereof, in trust or otherwise, not confined in their operations and benefactions to local or State purposes, but for the general good of the people interested therein, of the United States or of foreign lands, as the board of home and foreign missions of various church denominations, whether said societies, institutions, or boards are organized or incorporated under the laws of New Jersey or not. Taxes are payable at death of decedent; if taxes are paid within one year interest at the rate of six per cent a year shall be charged, but if not so paid interest at the rate of 10 per cent shall be charged; *provided*, that if said tax is paid within nine months from the accruing thereof no interest shall be charged but a discount of five per cent deducted.

The tax collected in 1903 amounted to \$149,577, a decrease of \$14,164 as compared with 1902.

New York.

The law taxing inheritances in the State of New York was passed June 10, 1885 (chap. 483). In 1887 the act was amended so as to include the property of non-resident decedents physically present within the State at the time of said decedent's death. Subsequent amendments affected merely the manner of procedure in the assessment of the tax. In 1891 the law was further amended, and for the first time imposed a tax of one per cent upon personal property of any lineal descendant of the deceased, of an adopted child, or of any person between whom and the deceased the mutually acknowledged relation of parent and child had existed for 10 years or more prior to death. The former Collateral Inheritance Tax law was repealed in 1892 by chap. 399; law was re-enacted and known as the Transfer Tax law. Four years later (1896) this law was repealed and re-enacted in substantially its previous form, and is, in substance, as the law exists at the present time. Amendments

which were made from 1896 to 1902 pertain particularly to the manner of procedure in collecting the tax and to certain other details in carrying out the provisions of the law. Chapter 41, laws of 1903, amended the Transfer Tax law so as to include real estate as taxable, equally with personal property, when same passes to persons in the one per cent class.

As the New York inheritance tax law is considered one of the best on the statute books of this country, similar laws of other States being modeled after it, and as it taxes lineal descendants as well as collateral heirs, it seems important that we should print certain sections of the law *in extenso*.

The General Tax Law of New York. Article X—Taxable Transfers.

§ 220. *Taxable Transfers.* A tax shall be and is hereby imposed upon the transfer of any property, real or personal, of the value of five hundred dollars or over, or of any interest therein or income therefrom, in trust or otherwise, to persons or corporations not exempt by law from taxation on real or personal property, in the following cases:

1. When the transfer is by will or by the intestate laws of this state from any person dying seized or possessed of the property while a resident of the state.

2. When the transfer is by will or intestate law, of property within the state, and the decedent was a nonresident of the state at the time of his death.

3. When the transfer is of property made by a resident or by a nonresident when such nonresident's property is within this state, by deed, grant, bargain, sale or gift made in contemplation of the death of the grantor, vendor or donor, or intended to take effect in possession or enjoyment at or after such death.

4. (Such tax shall be imposed) When any such person or corporation becomes beneficially entitled, in possession or expectancy, to any property, or the income thereof by any such transfer, whether made before or after the passage of this act.

5. Whenever any person or corporation shall exercise a power or appointment derived from any disposition of property made either before or after the passage of this act, such appointment when made shall be deemed a transfer taxable under the provisions of this act in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power and had been bequeathed or devised by such donee by will; and whenever any person or corporation possessing such a power of appointment so derived shall omit or fail to exercise the same within the time provided therefor, in whole or in part, a transfer taxable under the provisions of this act shall be deemed to take place to the extent of such omissions or failure, in the same manner as though the persons or corporations thereby becoming entitled to the possession or enjoyment of the property to which such power related had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure.

6. The tax imposed thereby shall be at the rate of five per centum upon the clear market value of such property, except as otherwise prescribed in the next section. (*As amended by chapter 284 of the Laws of 1897.*)

§ 221. *Exceptions and Limitations.* When property, real or personal, or any beneficial interest therein, of the value of less than ten thousand dollars, passes by any such transfer to or for the use of any father, mother, husband, wife, child, brother, sister, wife or widow of a son or the husband of a daughter, or any child or children adopted as such in conformity with the laws of this state, of the decedent, grantor, donor or vendor, or to any child, to whom any such decedent, grantor, donor or vendor for not less than ten years prior to such transfer stood in the mutually acknowledged relation of a parent, provided, however, such relationship began at or before the child's fifteenth birthday and was continuous for said ten years thereafter, or to any lineal descendant of such decedent, grantor, donor or vendor born in lawful wedlock, such transfer of property shall not be taxable under this act; if real or personal property, or any beneficial interest therein, so transferred is of the value of ten thousand dollars or more, it shall be taxable under this act at the rate of one per centum upon the clear market value of such property. But any property heretofore or hereafter devised or bequeathed to any person who is a bishop or to any religious corporation including corporations organized exclusively for bible or tract purposes shall be exempted from and not subject to the provisions of this act. There shall also be exempted from and not subject to the provisions of this act personal property other than money or securities bequeathed to a corporation or association organized exclusively for the moral or mental improvement of men or women or for charitable, benevolent, missionary, hospital, infirmary, educational, scientific, literary, library, patriotic, cemetery or historical purposes or for the

enforcement of laws relating to children or animals or for two or more of such purposes and used exclusively for carrying out one or more of such purposes. But no such corporation or association shall be entitled to such exemption if any officer, member, or employé thereof shall receive or may be lawfully entitled to receive any pecuniary profit from the operations thereof except reasonable compensation for services in effecting one or more of such purposes or as proper beneficiaries of its strictly charitable purposes; or if the organization thereof for any such avowed purpose be a guise or pretense for directly or indirectly making any other pecuniary profit for such corporation or association or for any of its members or employés or if it be not in good faith organized or conducted exclusively for one or more of such purposes. (*As amended by chapter 88 of the Laws of 1898 and chapter 458 of the Laws of 1901.*)

§ 222. *Lien of Taxes and Payment Thereof.* Every such tax shall be and remain a lien upon the property transferred until paid and the person to whom the property is so transferred, and the administrators, executors and trustees of every estate so transferred shall be personally liable for such tax until its payment. The tax shall be paid to the treasurer in a county in which the office of appraiser is not salaried, and in other counties, to the state comptroller and said treasurer or state comptroller shall give, and every executor, administrator or trustee shall take, duplicate receipts from him of such payment. If such duplicate receipts were received from a county treasurer such executor, administrator or trustee shall immediately send one of them to the state comptroller, and if received from the state comptroller he shall immediately send one of them to the state treasurer. The state comptroller or the state treasurer, as the case may be, receiving such receipt shall charge the officer receiving the tax with the amount thereof and seal said receipt with the seal of his office and countersign the same and return it to the executor, administrator or trustee, whereupon it shall be a proper voucher in the settlement of his accounts; but no executor, administrator or trustee shall be entitled to a final accounting of an estate in settlement of which a tax is due under the provisions of this act unless he shall produce a receipt so sealed and countersigned, or a certified copy thereof, or unless a bond shall have been filed as prescribed by section two hundred and twenty-six of this chapter. All taxes imposed by this article shall be due and payable at the time of the transfer, except as hereinafter provided. Taxes upon the transfer of any estate, property or interest therein limited, conditioned, dependent or determinable upon the happening of any contingency or future event by reason of which the fair market value thereof cannot be ascertained at the time of the transfer as herein provided, shall accrue and become due and payable when the persons or corporations beneficially entitled thereto shall come into actual possession or enjoyment thereof. All taxes which, at the time the amendment to this section takes effect, have been assessed by an order of the surrogate, or which have accrued, in a county in which the office of appraiser is salaried, shall be paid to the state comptroller, as provided by this article. (*As amended by chapter 284 of the Laws of 1897 and chapter 173 of the Laws of 1901.*)

§ 223. *Discount, Interest and Penalty.* If such tax is paid within six months from the accruing thereof, a discount of five per centum shall be allowed and deducted therefrom. If such tax is not paid within eighteen months from the accruing thereof, interest shall be charged and collected thereon at the rate of ten per centum per annum from the time the tax accrued; unless by reasons of claims made upon the estate, necessary litigation or other unavoidable cause of delay, such tax can not be determined and paid as herein provided, in which case interest at the rate of six per centum per annum shall be charged upon such tax from the accrual thereof until the cause of such delay is removed, after which ten per centum shall be charged. In all cases when a bond shall be given under the provisions of section two hundred and twenty-six of this chapter, interest shall be charged at the rate of six per centum from the accrual of the tax until the date of payment thereof.

§ 224. *Collection of Tax by Executors, Administrators and Trustees.* Every executor, administrator or trustee, shall have full power to sell so much of the property of the decedent as will enable him to pay such tax in the same manner as he might be entitled by law to do for the payment of the debts of the testator or intestate. Any such administrator, executor or trustee having in charge or in trust any legacy or property for distribution subject to such tax shall deduct the tax therefrom; and within thirty days therefrom shall pay over the same to the county treasurer or state comptroller, as herein provided. If such legacy or property be not in money, he shall collect the tax thereon upon the appraised value thereof from the person entitled thereto. He shall not deliver or be compelled to deliver any specific legacy or property subject to tax under this article to any person until he shall have collected the tax thereon. If any such legacy shall be charged upon or payable out of real property, the heir or devisee shall deduct such tax therefrom and pay it to the administrator, executor or trustee, and the tax shall remain a lien or charge on such real property until paid, and the payment thereof shall be enforced by the executor, administrator or trustee in the same manner that payment of the legacy might be enforced, or by the district attorney under section two hundred and thirty-five of this chapter. If any such legacy shall be given in money to any such person for a limited period, the administrator, executor or trustee shall retain the tax upon the whole amount, but if it be not in money, he shall

make application to the court having jurisdiction of an accounting by him, to make an apportionment, if the case require it, of the sum to be paid into his hands by such legatees, and for such further order relative thereto as the case may require. (*As amended by chapter 173 of the Laws of 1901.*)

§ 225. *Refund of Tax Erroneously Paid.* If any debts shall be proven against the estate of a decedent after the payment of any legacy or distributive share thereof, from which any such tax has been deducted or upon which it has been paid by the person entitled to such legacy or distributive share, and such person is required by order of the surrogate having jurisdiction, on notice to the state comptroller, to refund the amount of such debts or any part thereof, an equitable proportion of the tax shall be repaid to him by the executor, administrator or trustee, if the tax has not been paid to the county treasurer, or state comptroller, or if such tax has been paid to such treasurer or state comptroller, he shall refund out of the funds in his hands or custody to the credit of such taxes such equitable proportion of the tax, and credit himself with the same in the account required to be rendered by him under this article. If after the payment of any tax in pursuance of an order fixing such tax, made by the surrogate having jurisdiction, such order be modified or reversed within two years from and after the date of entry of the order fixing the tax, on due notice to the comptroller of the state, the state comptroller shall, if such tax was paid in a county in which the office of appraiser is not salaried, by order, direct and allow the treasurer of the county, to refund, or if paid in any other county, he shall himself refund to the executor, administrator, trustee, person or persons, by whom such tax has been paid, the amount of any moneys paid or deposited on account of such tax in excess of the amount of the tax fixed by the order modified or reversed, out of the funds in his hands or custody, to the credit of such taxes, and to credit himself with the same in the account required to be rendered by him under this act; but no application for such refund shall be made after one year from such reversal or modification, and the comptroller of the state shall deduct from the fees allowed by this article to the county treasurer the amount theretofore allowed him upon such overpayment. Where it shall be proved to the satisfaction of the surrogate who has assessed the tax upon the transfer of property under this article that deductions for debts were allowed upon the appraisal, since proved to have been erroneously allowed, it shall be lawful for such surrogate to enter an order assessing the tax upon the amount wrongfully or erroneously deducted. (*As amended by chapter 284 of the Laws of 1897, chapter 382 of the Laws of 1900 and chapter 173 of the Laws of 1901.*)

§ 226. *Deferred Payment.* Any person or corporation beneficially interested in any property chargeable with a tax under this article, and executors, administrators and trustees thereof may elect within eighteen months from the date of the transfer thereof as herein provided, not to pay such tax until the person or persons beneficially interested therein shall come into the actual possession or enjoyment thereof. If it be personal property, the person or persons so electing shall give a bond to the state in penalty of three times the amount of any such tax, with such sureties as the surrogate of the proper county may approve, conditioned for the payment of such tax and interest thereon, at such time or period as the person or persons beneficially interested therein may come into the actual possession or enjoyment of such property, which bond shall be filed in the office of the surrogate. Such bond must be executed and filed and a full return of such property upon oath made to the surrogate within one year from the date of transfer thereof as herein provided, and such bond must be renewed every five years. (*As amended by chapter 284 of the Laws of 1897.*)

§ 227. *Taxes upon Devises and Bequests in Lieu of Commissions.* If a testator bequeaths or devises property to one or more executors or trustees in lieu of their commissions or allowances, or makes them his legatees to an amount exceeding the commissions or allowances prescribed by law for an executor or trustee, the excess in value of the property so bequeathed or devised, above the amount of commissions or allowances prescribed by law in similar cases shall be taxable under this article.

§ 228. *Liability of Certain Corporations to Tax.* If a foreign executor, administrator or trustee shall assign or transfer any stock or obligations in this state standing in the name of a decedent, or in trust for a decedent, liable to any such tax, the tax shall be paid to the treasurer of the proper county or the state comptroller on the transfer thereof. No safe deposit company, trust company, corporation, bank or other institution, person or persons having in possession or under control securities, deposits, or other assets of a decedent, including the shares of the capital stock of, or other interest in, the safe deposit company, trust company, corporation, bank or other institution making the delivery or transfer herein provided, shall deliver or transfer the same to the executors, administrators or legal representatives of said decedent, or upon their order or request, unless notice of the time and place of such intended delivery or transfer be served upon the state comptroller at least ten days prior to said delivery or transfer; nor shall any such safe deposit company, trust company, corporation, bank or other institution, person or persons deliver or transfer any securities, deposits or other assets of the estate of a non-resident decedent including the shares of the capital stock of, or other interests in, the safe deposit company, trust company, corporation, bank or other institution, making the delivery or transfer,

without retaining a sufficient portion or amount thereof to pay any tax and penalty which may thereafter be assessed on account of the delivery or transfer of such securities, deposits, or other assets including the shares of the capital stock of or other interests in, the safe deposit company, trust company, corporation, bank or other institution making the delivery or transfer, under the provisions of this article, unless the state comptroller consents thereto in writing. And it shall be lawful for the said state comptroller, personally, or by representative, to examine said securities, deposits or assets at the time of such delivery or transfer. Failure to serve such notice and to allow such examination, and to retain a sufficient portion or amount to pay such tax and penalty as herein provided, shall render said safe deposit company, trust company, corporation, bank or other institution, person or persons liable to the payment of three times the amount of the tax and penalty due or thereafter to become due upon said securities, deposits or other assets, including the shares of the capital stock of, or other interests in, the safe deposit company, trust company, corporation, bank or other institution, making the delivery or transfer; and the payments as herein provided shall be enforced in an action brought in accordance with the provisions of section two hundred and thirty-five of this chapter. (*As amended by chapter 173 of the Laws of 1901 and chapter 101 of the Laws of 1902.*)

§ 230 a. *Composition of Transfer Tax upon Certain Estates.* The county treasurer of any county in which the office of appraiser is not salaried, by and with the consent of the comptroller of the state of New York, expressed in writing, and the state comptroller in any other county, by and with the consent of the attorney-general expressed in writing, is hereby empowered and authorized in a county in which they receive payments on account of transfer tax, to enter into an agreement with the trustees of any estate therein situate, in which remainders or expectant estates have been of such a nature, or so disposed and circumstanced, that the taxes therein were held not presently payable, or where the interests of the legatees or devisees were not ascertainable under the provisions of chapter four hundred and eighty-three of the laws of eighteen hundred and eighty-five; chapter three hundred and ninety-nine of the laws of eighteen hundred and ninety-two, or chapter nine hundred and eight of the laws of eighteen hundred and ninety-six, and the several acts amendatory thereof and supplemental thereto; and to compound such taxes upon such terms as may be deemed equitable and expedient; and to grant discharge to said trustees upon the payment of the taxes provided for in such composition; provided, however, that no such composition shall be conclusive in favor of said trustees as against the interests of such cestuis que trust, as may possess either present rights of enjoyment, or fixed, absolute or indefeasible rights of future enjoyment, or of such as would possess such rights in the event of the immediate termination of particular estates, unless they consent thereto, either personally, when competent, or by guardian or committee. Composition or settlement made or effected under the provisions of this section shall be executed in triplicate, and one copy shall be filed in the office of the state comptroller, one copy in the office of the surrogate of the county in which the tax was paid, and one copy to be delivered to the executors, administrators or trustees who shall be parties thereto. (*Added by chapter 173 of the Laws of 1901.*)

§ 231. *Proceedings by Appraiser.* Every such appraiser shall forthwith give notice by mail to all persons known to have a claim or interest in the property to be appraised, including the state comptroller, and to such persons as the surrogate may by order direct, of the time and place when he will appraise such property. He shall, at such time and place, appraise the same at its fair market value as herein prescribed, and for that purpose the said appraiser is authorized to issue subpoenas and to compel the attendance of witnesses before him and to take the evidence of such witnesses under oath concerning such property and the value thereof; and he shall make report thereof and of such value in writing, to the said surrogate, together with the depositions of the witnesses examined, and such other facts in relation thereto and to said matter as the surrogate may order or require. Every appraiser, except in the counties in which the office of appraiser is salaried, for which provision is hereinbefore made, shall be paid on the certificate of the surrogate, subject to review and audit by the state comptroller, his actual and necessary traveling expenses and the fees paid such witnesses, which fees shall be the same as those now paid to witnesses subpoenaed to attend in courts of record, out of any funds he may have in his hands as county treasurer on account of any tax imposed under the provisions of this article. Appraisers appointed under this article in proceedings pending at the time the amendment to this section takes effect shall complete the appraisals therein and file their reports as herein provided, and shall be entitled to the compensation authorized by law at the time of their appointment, to be paid by the state comptroller in counties in which the office of appraiser is salaried, and in other counties by the county treasurer, out of any moneys in his hands on account of this tax. (*As amended by chapter 658 of the Laws of 1900, and chapter 173 of the Laws of 1901.*)

§ 235. *Proceedings for the Collection of Taxes.* If the county treasurer or state comptroller shall have reason to believe that any tax is due and unpaid in a county in which he is authorized to receive the tax under this article, after the refusal or neglect of the persons liable therefor to

pay the same, he shall notify the district attorney of the county, in writing, of such failure or neglect, and such district attorney, if he have probable cause to believe that such tax is due and unpaid, shall apply to the surrogate's court for a citation, citing the persons liable to pay such tax to appear before the court on the day specified, not more than three months after the date of such citation, and show cause why the tax should not be paid. The surrogate, upon such application, and whenever it shall appear to him that any such tax accruing under this article has not been paid as required by law, shall issue such citation and the service of such citation, and the time, manner and proof thereof, and the hearing and determination thereon and the enforcement of the determination or order made by the surrogate shall conform to the provisions of the code of civil procedure for the service of citations out of the surrogate's court, and the hearing and determination thereon and its enforcement so far as the same may be applicable. The surrogate or his clerk shall, upon request of the district attorney, county treasurer, or the comptroller of the state, furnish, without fee, one or more transcripts of such decree, which shall be docketed and filed by the county clerk of any county of the state without fee, in the same manner and with the same effect as provided by law for filing and docketing transcripts of decrees of the surrogate's court. The costs awarded by any such decree after the collection and payment of the tax to the county treasurer or state comptroller may be retained by the district attorney for his own use. Such costs shall be fixed by the surrogate in his discretion, but shall not exceed in any case where there has not been a contest, the sum of one hundred dollars, or where there has been a contest the sum of two hundred and fifty dollars. Whenever the surrogate shall certify that there was probable cause for issuing a citation and taking the proceedings specified in this section, the state treasurer shall pay or allow to the county treasurer or the state comptroller all expenses incurred for the service of citations and other lawful disbursements not otherwise paid. In proceedings to which any county treasurer or the state comptroller is cited as a party under sections two hundred and thirty and two hundred and thirty-one of this article, the state comptroller is authorized to designate and retain counsel to represent such county treasurer or state comptroller herein, and to direct such county treasurer in a county in which the office of appraiser is not salaried to pay the expenses thereby incurred out of the funds which may be in his hands on account of this tax, and in any other county the state comptroller shall pay such expenses out of any funds which may be in his hands on account of this tax; provided, however, that in the collection of taxes upon estates of non-resident decedents, which estates have been concealed or the taxes thereon evaded, the state comptroller shall not allow for legal services up to and including the entry of the order of the surrogate fixing the tax a sum exceeding ten per centum of the taxes and penalties collected. And the comptroller of the state is hereby authorized, with the approval of the attorney-general, and a justice of the supreme court of the judicial district in which the former owner resided, to compromise and settle the amount of such tax in any case where controversies have arisen or may hereafter arise as to the relationship of the beneficiaries to the former owner thereof. (*As amended by chapter 173 of the Laws of 1901.*)

§ 236. *Receipt from the County Treasurer and Comptroller.* Any person shall upon the payment of the sum of fifty cents be entitled to a receipt from the county treasurer of any county or the state comptroller, or at his option to a copy of a receipt that may have been given by such treasurer or state comptroller for the payment of any tax under this article, under the official seal of such treasurer or comptroller, which receipt shall designate upon what real property, if any, of which any decedent may have died seized, such tax shall have been paid, by whom paid, and whether in full of such tax. Such receipt may be recorded in the clerk's office of the county in which such property is situate, in a book to be kept by him for that purpose, which shall be labeled "transfer tax." (*As amended by chapter 173 of the Laws of 1901.*)

§ 237. *Fees of County Treasurer.* The treasurer of each county in which the office of appraiser is not salaried shall be allowed to retain on all taxes paid and accounted for by him each year under this article, five per centum on the first fifty thousand dollars, three per centum on the next fifty thousand dollars, and one per centum on all additional sums. Such fees shall be in addition to the salaries and fees now allowed by law to such officers. (*As amended by chapter 289 of the Laws of 1898 and chapter 173 of the Laws of 1901.*)

§ 240a. *Report of State Comptroller: Payment of Taxes.* The state comptroller shall deposit all taxes collected by him under this article in a responsible bank, banking house or trust company in the city of Albany, as, in the opinion of the comptroller are secure, and pay the highest rate of interest to the state for such deposit, to the credit of the state comptroller on account of the transfer tax. And every such bank, banking house or trust company shall execute and file in his office an undertaking to the state, in the sum, and with such sureties, as are required and approved by the comptroller, for the safe keeping and prompt payment on legal demand thereof of all such moneys held by or on deposit in such bank, banking house or trust company, with interest thereon on daily balances at such rate as the comptroller may fix. Every such undertaking shall have endorsed thereon, or annexed thereto, the approval of the attorney general as to its form. The state comptroller shall on the first day of each month make a veri-

fied return to the state treasurer of all taxes received by him under this article, stating for what estate, and by whom and when paid; and shall credit himself with all expenditures made since his last previous return on account of such taxes, for salary, refunds, or other purpose lawfully chargeable thereto. He shall at the same time pay to the state treasurer the balance of such taxes remaining in his hands at the close of business on the last day of the previous month, as appears from such returns. (*Added by chapter 173 of the Laws of 1901.*)

§ 241. *Application of Taxes.* All taxes levied and collected under this article when paid into the treasury of the state shall be applicable to the expenses of the state government and to such other purposes as the legislature shall by law direct. (*As amended by chapter 173 of the Laws of 1901.*)

§ 242. *Definitions.* The words "estate" and "property," as used in this article, shall be taken to mean the property or interest therein of the testator, intestate, grantor, bargainor or vendor, passing or transferred to those not herein specifically exempted from the provisions of this article, and not as the property or interest therein passing or transferred to individual legatees, devisees, heirs, next of kin, grantees, donees or vendees, and shall include all property or interest therein, whether situated within or without this state. The word "transfer," as used in this article, shall be taken to include the passing of property or any interest therein in possession or enjoyment, present or future, by inheritance, descent, devise, bequest, grant, deed, bargain, sale or gift, in the manner herein prescribed. The words "county treasurer," "comptroller," and "district attorney," as used in this article, shall be taken to mean the treasurer, state comptroller or the district attorney of the county of the surrogate having jurisdiction as provided in section two hundred and twenty-nine of this article. (*As amended by chapter 88 of the Laws of 1898 and chapter 173 of the Laws of 1901.*)

§ 243. *Exemptions in Article One not Applicable.* The exemptions enumerated in section four of the tax law, of which this article is a part, shall not be construed as being applicable in any manner to the provisions of article ten hereof. (*Added by chapter 382 of the Laws of 1900.*)

The net amount of transfer tax collected for the fiscal year 1903 was \$4,665,735, covering estates of 3,767 decedents.

The Comptroller of the State of New York, in his report to the legislature for the fiscal year ending September 30, 1903, states regarding the Transfer Tax law as follows:

The income derived from taxable transfers during the past fiscal year has been highly satisfactory, the net receipts, \$4,665,735, being the largest ever paid into the State Treasury from this source. These receipts exceeded those of the previous year by \$1,362,181, an increase of over 40 per cent; were \$581,129 greater than in 1901, and \$330,932 more than for the year 1900. The result is especially gratifying compared with previous years for the reason that there have been no exceptionally large taxes paid from single estates, only three paying a tax above \$100,000 (\$119,223, \$127,780 and \$131,122), whereas in 1900, the record year before this for transfer tax collections, one estate alone paid \$1,934,753 and two inclusive \$439,483, the three estates paying over 50 per cent of the whole amount received. In 1901 four estates paid an aggregate of \$1,128,866, or over 25 per cent of the total receipts of such year. The total number of estates paying taxes during the year closing September 30, 1903, was 3,767 as compared with 3,277 in 1902, 3,059 in 1901, 2,818 in 1900 and 2,721 in 1899.

The amendment to the statute by the last Legislature, being chapter 41 of the Laws of 1903, under which real property passing to the one per cent class is included among taxable transfers, did not appreciably increase the receipts for the fiscal year for the reason that such amendment only applies to estates of decedents since March 16, 1903, the date when such amendment became a law, and payments are rarely made within six months from the death of deceased. The amount realized from such amendment for the six months it was in force was but \$22,058. During the present fiscal year, however, the receipts of this Department should be materially increased from this source. . . .

North Carolina.

The Inheritance Tax law of North Carolina was passed in 1901, and in 1903 was ingrafted in the revenue act with practically no changes, the tax being applicable to personal property only, and is a gradual assessment levied according to degree of kinship and amount bequeathed. The only beneficiaries exempted are the husband or wife of decedent, and charitable, religious, and educational institutions. The amount collected for the fiscal year 1903 was \$12,579. An account of the legacies taxed and amount of tax imposed, together with interest thereon, follows:

All personal property, of whatever kind or nature, within the jurisdiction of the State, whether the property of residents or non-residents, shall be subject to a tax for the benefit of the State. Where the whole amount of said legacy or distributive share of personal property shall exceed \$2,000, the tax shall be:

1. Where the person or persons entitled to any beneficial interest in such property shall be the lineal issue or lineal ancestor, brother or sister of the decedent, or where the person to whom such property was given stood in the relation of child to the deceased person, at the rate of 75 cents for each \$100.

2. Where the person entitled to any beneficial interest shall be the descendant of a brother or sister of the decedent, at the rate of \$1.50 for each \$100 of the clear value of such interest.

3. Where the person entitled to beneficial interest shall be the brother or sister of the father or mother, or a descendant of the brother or sister of the father or mother of the decedent, at the rate of \$3 for each \$100.

4. Where the person entitled to beneficial interest shall be the brother or sister of the grandfather or grandmother, or a descendant of brother or sister of the grandfather or grandmother of the decedent, at the rate of \$4 for each \$100.

5. Where the person entitled to any beneficial interest shall be in any other degree of collateral consanguinity than before stated, or shall be a stranger in blood to the decedent, where the whole amount of said legacy or distributive share of personal property shall exceed \$2,000 and shall not exceed \$5,000, the tax shall be at the rate of \$5 for each \$100; provided, all legacies or property passing to husband or wife of the decedent, or for religious, charitable or educational purposes, shall be exempt from tax; where the amount shall exceed \$5,000 but shall not exceed \$10,000 the rates of tax above stated shall be multiplied by one and one-half; where the amount shall exceed the sum of \$10,000 but shall not exceed the sum of \$25,000, such rates of tax shall be multiplied by two; where the amount shall exceed the sum of \$25,000 but shall not exceed the sum of \$50,000, the rates shall be multiplied by two and one-half; and where the amount shall exceed the sum of \$50,000, such rates shall be multiplied by three.

If tax is not paid two years after death of decedent, six per cent a year shall be charged upon same.

North Dakota.

An Act providing for the assessment and collection of collateral succession or inheritance tax in North Dakota was passed March 10, 1903. The law provides:

All property within the jurisdiction of the State, whether belonging to inhabitants or not, and whether tangible or intangible, passing to any person other than to father, mother, husband, wife, lineal descendant, adopted child, the lineal descendant of an adopted child of a decedent, or to or for charitable, educational or religious societies or institutions within this State, shall be subject to a tax of two per cent of its valuation above the sum of \$25,000, after the payment of all debts, for the use of the State. The tax shall be and remain a lien on such estate upon death of the decedent until paid. All taxes imposed by provisions of this act shall be payable to the treasurer of State within 15 months from death of decedent unless a longer period is fixed by the court; all taxes not paid within 15 months shall draw interest at the rate of eight per cent a year until paid.

The law has made provisions for foreign estates and deduction of debts, foreign estates direct and collateral beneficiaries, liens, appraisals, remainders, life estates, etc.

Ohio.

In 1894 the legislature of Ohio passed a Direct Inheritance Act imposing a tax on direct heirs, varying from one to five per cent according to the entire amount of property left. On January 27, 1895, the Supreme Court declared the act unconstitutional and money was refunded under Acts of 1896 and 1898.

On January 27, 1893, the Collateral Inheritance Tax law was passed, and amended in 1894. This act exempts bequests to all lineal heirs as well as those to State, city, town, or county for public purposes, legacies to public institutions of learning or charity. Other bequests are taxed at the rate of five per cent on sums above \$200, three-quarters of the income to go to the State and one-quarter to the county where tax was collected. If taxes are not paid within one year interest of eight per cent is charged; if taxes are paid before the expiration of one year a discount of one per cent for each full month that payment shall have been made prior to the expired time is allowed.

The Russell Inheritance Tax law, approved April 25, 1904, imposes a two per cent tax on bequests to lineal heirs exceeding \$3,000 in value.

Oregon.

The law taxing inheritances in Oregon was not passed until the 1903 session of the legislature. According to law no tax is due until eight months after the death of decedent, and as the law went into effect on May 21, no tax was collected during the year 1903. The law provides that:

All property within the jurisdiction of the State, whether belonging to inhabitants or not, and whether tangible or intangible, passing by will or by the statutes of inheritance to any legatees or devisees, shall be subject to tax; *provided*, that devises, bequests and gifts to benevolent and charitable institutions incorporated within this State and actually engaged in this State in carrying out the objects and purposes for which so incorporated shall be exempt from tax. Bequests to father, mother, husband, wife, child, brother, sister, wife or widow of a son or the husband of a daughter, or any child or children adopted as such in conformity with the laws of Oregon, or to any person to whom the decedent for not less than 10 years prior to death stood in acknowledged relation to the parent or to any lineal descendant born in lawful wedlock, shall be taxed at the rate of one per cent upon the appraised value received by each person; *provided*, that any estate valued at a sum less than \$10,000 shall not be subject to tax, and the tax is to be levied in above cases only upon the excess of \$5,000 received by each person. Bequests to any uncle, aunt, niece, nephew, or any lineal descendant of the same, shall be taxed at the rate of two per cent upon the appraised value received by each person on the excess of \$2,000 so received by each person. In all other cases the tax shall be at the rate of three per cent upon the appraised value received by each person, and on all amounts over \$500 and not exceeding \$10,000; four per cent on all amounts over \$10,000 and not exceeding \$20,000; five per cent on all amounts over \$20,000 and not exceeding \$50,000; six per cent on all amounts over \$50,000.

All taxes are payable eight months from death of decedent. If such tax is paid within eight months from the accruing thereof, a discount of five per cent shall be deducted; taxes not paid within eight months shall be charged for at the rate of eight per cent a year unless delay is found to be unavoidable when interest shall be charged at the rate of six per cent until such cause of delay is removed. Every tax shall be a lien upon the property embraced in any inheritance until paid.

The State treasurer states that in his opinion the tax will not be as great a revenue getter as might be expected, due to the fact that estates

valued at less than \$10,000 are not subject to the tax, and that only the excess above \$5,000 received by each person is taxable, thereby rendering a great many large estates and bequests free from the tax.

Pennsylvania.

The Collateral Inheritance Tax law of Pennsylvania has been in operation since May 1, 1826, the original law being approved April 7, 1826. Amendments were made at various times until 1887, the act being codified in that year; it remains in substantially the same form in force to-day. The present law retains many of the principles of the Act of 1826, which was the first law enacted in this country taxing inheritances. The original law imposed a tax of two and one-half per cent on all collateral inheritances. Chapter 243, Acts of 1895, fixed the compensation of appraisers appointed to appraise the value of estates subject to the payment of tax, and of experts employed to assist such appraisers; chap. 13, Acts of 1903, exempts bequests and devises in trust for the care and preservation of burial lots from payments of collateral inheritance tax.

The law in full is reproduced below :

Estates Subject to Tax. That all estates, real, personal and mixed, of every kind whatsoever, situated within this State, whether the person or persons dying seised thereof be domiciled within or out of this State, and all such estates situated in another State, Territory or country, when the person, or persons, dying seised thereof, shall have their domicile within this Commonwealth, passing from any person, who may die seised or possessed of such estates, either by will, or under the intestate laws of this State, or any part of such estate, or estates, or interest therein transferred by deed, grant, bargain or sale, made or intended to take effect, in possession or enjoyment after the death of the grantor or bargainor, to any person or persons, or to bodies corporate or politic, in trust or otherwise, other than to or for the use of father, mother, husband, wife, children and lineal descendants born in lawful wedlock, or the wife, or widow of the son of the person dying seised or possessed thereof, shall be and they are hereby made subject to a tax of five dollars on every hundred dollars of the clear value of such estate or estates, and at and after the same rate for any less amount, to be paid to the use of the Commonwealth; and all owners of such estates, and all executors and administrators and their sureties, shall only be discharged from liability for the amount of such taxes or duties, the settlement of which they may be charged with, by having paid the same over for the use aforesaid, as hereinafter directed: *provided*, that no estate which may be valued at a less sum than two hundred and fifty dollars shall be subject to the duty or tax.

Taxation of Bequests to Executors. Where a testator appoints or names one, or more executors, and makes a bequest or devise of property to them, in lieu of their commissions or allowances, or appoints them his residuary legatees, and said bequests, devises, or residuary legacies, exceed what would be a fair compensation for their services, such excess shall be subject to the payment of the collateral inheritance tax; the rate of compensation to be fixed by the proper courts having jurisdiction in the case.

Taxation of Reversionary Interests. In all cases where there has been or shall be a devise, descent or bequest to collateral relatives or strangers, liable to the collateral inheritance tax, to take effect in possession, or come into actual enjoyment after the expiration of one or more life estates, or a period of years, the tax on such estate shall not be payable, nor interest begin to run thereon, until the person or persons liable for the same shall come into actual possession of such estate, by the termination of the estates for life or years, and the tax shall be assessed upon the value of the estate at the time the right of possession accrues to the owner as aforesaid: *provided*, that the owner shall have the right to pay the tax at any time prior to his coming into possession, and, in such cases, the tax shall be assessed on the value of the estate at the time of the payment of the tax, after deducting the value of the life estate or estates for years: *and provided further*, that the tax on real estate shall remain a lien on the real estate on which the same is chargeable until paid. And the owner of any personal estate shall make a full return of the

same to the register of wills of the proper county within one year from the death of the decedent, and within that time enter into security for the payment of the tax, to the satisfaction of such register; and in case of failure so to do, the tax shall be immediately payable and collectible.

Discount and Interest. If the collateral inheritance tax shall be paid within three months after the death of the decedent, a discount of five per centum shall be made and allowed; and if the said tax is not paid at the end of one year from the death of the decedent, interest shall then be charged at the rate of twelve per centum per annum on such tax; but where from claims made upon the estate, litigation, or other unavoidable cause of delay, the estate of any decedent or a part thereof cannot be settled up at the end of the year from his or her decease, six per centum per annum shall be charged upon the collateral inheritance tax, arising from the unsettled part thereof, from the end of such year until there be default; *provided further*, that where real or personal estate withheld by reason of litigation or other cause of delay in manner aforesaid from the parties entitled thereto, subject to said tax, has not been, or shall not be productive to the extent of six per centum per annum, they shall not be compelled to pay a greater amount as interest to the Commonwealth than they may have realized, or shall realize from such estate during the time the same has been or shall be withheld as aforesaid.

Executors, etc., to deduct Tax from Pecuniary Legacy or Share. The executor, or administrator, or other trustee, paying any legacy or share in the distribution of any estate, subject to the collateral inheritance tax, shall deduct therefrom at the rate of five dollars in every hundred dollars, upon the whole legacy or sum paid; or if not money, he shall demand the payment of a sum, to be computed at the same rate upon the appraised value thereof, for the use of the Commonwealth; and no executor or administrator shall be compelled to pay or deliver any specific legacy or article to be distributed, subject to tax, except on the payment into his hands of a sum computed on its value as aforesaid; and in case of neglect or refusal on the part of said legatee to pay the same, such specific legacy or article, or so much thereof as shall be necessary, shall be sold by such executor or administrator at public sale, after notice to such legatee, and the balance that may be left in the hands of the executor or administrator shall be distributed, as is or may be directed by law; and every sum of money retained by any executor or administrator, or paid into his hands on account of any legacy or distributive share, for the use of the Commonwealth, shall be paid by him without delay.

Taxation of Legacy for Limited Period. If the legacy subject to collateral inheritance tax be given to any person for life, or for a term of years, or for any other limited period, upon a condition or contingency, if the same be money, the tax thereon shall be retained upon the whole amount; but if not money, application shall be made to the orphans' court having jurisdiction of the accounts of the executors or administrators to make apportionment, if the case requires it, of the sum to be paid by such legatees, and for such further order relative thereto as equity shall require.

Taxation of Legacy Charged upon Real Estate. Whenever such legacy shall be charged upon or payable out of real estate, the heir, or devisee, before paying the same, shall deduct therefrom at the rate aforesaid, and pay the amount so deducted to the executor; and the same shall remain a charge upon such real estate until paid, and the payment thereof shall be enforced by the decree of the orphans' court, in the same manner as the payment of such legacy may be enforced.

Executors, etc., to Notify Register of Real Estate Subject to Tax. Whenever any real estate of which any decedent may die seised shall be subject to the collateral inheritance tax, it shall be the duty of the executors and administrators to give information thereof to the register of the county, where administration has been granted, within six months after they undertake the execution of their respective duties, or if the fact be not known to them within that period, within one month after the same shall have come to their knowledge; and it shall be the duty of the owners of such estates, immediately upon the vesting of the estate, to give information thereof to the register having jurisdiction of the granting of administration.

Executors may sell, if necessary, to pay Tax. All executors and administrators shall have full power to sell, if necessary, so much of the said property as will enable him, her, or them, to pay said tax or duty, in the same manner as executors and administrators are or may be enabled by law to do for the payment of debts of their testators and intestates, distributing any balance left in their hands as is or may be directed by law, and the amount of the said tax or duty shall be paid over as before directed.

Executors, etc., to take Duplicate Receipts. It shall be the duty of any executor or administrator, on the payment of collateral inheritance tax, to take duplicate receipts from the register, one of which shall be forwarded forthwith to the Auditor General, whose duty it shall be to charge the register receiving the money with the amount, and seal with the seal of his office, and countersign the receipt and transmit it to the executor or administrator, whereupon it shall be a proper voucher in the settlement of the estate; but in no event shall an executor or administrator

be entitled to a credit in his account by the register, unless the receipt is so sealed and countersigned by the Auditor General.

Foreign Executor to pay Tax on Stocks Assigned. Whenever any foreign executor, or administrator, or trustee, shall assign or transfer any stocks or loans in this Commonwealth, standing in the name of the decedent, or in trust for a decedent, which shall be liable for the collateral inheritance tax, such tax shall be paid, on the transfer thereof, to the register of the county where such transfer is made; otherwise the corporation permitting such transfer shall become liable to pay such tax.

When Tax shall be refunded. Whenever debts shall be proven against the estate of a decedent, after distribution of legacies from which the collateral inheritance tax has been deducted, in compliance with this act, and the legatee is required to refund any portion of a legacy, a proportion of the said tax shall be repaid to him by the executor or administrator, if the said tax has not been paid into the State or county treasury, or by the county treasurer, if it has been so paid.

Tax erroneously paid may be repaid by State Treasurer. In all cases where any amount of collateral inheritance tax has heretofore been paid, or may hereafter be paid, erroneously, to the register of wills of the proper county, for the use of the Commonwealth, it shall be lawful for the State treasurer, on satisfactory proof rendered to him by said register of wills of such erroneous payment, to refund and pay over to the executor, administrator, person or persons who may have heretofore paid or may hereafter pay any such tax thus in error, the amount of such tax thus erroneously paid: *provided*, that all such applications for the repayment of such aforesaid tax, erroneously paid into the treasury, shall be made within two years from the date of said payment.

Register of Wills to appoint Appraiser. It shall be the duty of the register of wills of the county, in which letters testamentary or of administration are granted, to appoint an appraiser, as often as and whenever occasion may require, to fix the valuation of estates, which are or shall be subject to collateral inheritance tax; and it shall be the duty of such appraiser to make a fair and conscionable appraisement of such estates; and it shall further be the duty of such appraiser to assess and fix the cash value of all annuities and life estates growing out of said estates, upon which annuities and life estates the collateral inheritance tax shall be immediately payable out of the estate at the rate of such valuation: *provided*, that any person or persons, not satisfied with said appraisement, shall have the right to appeal, within thirty days, to the orphans' court of the proper county or city on paying or giving security to pay all costs, together with whatever tax shall be fixed by said court; and, upon such appeal, said courts shall have jurisdiction to determine all questions of valuation and of the liability of the appraised estate for such tax, subject to the right of appeal to the Supreme Court as in other cases.

Penalty for the Taking of Fees or Rewards by Appraisers. It shall be a misdemeanor in any appraiser, appointed by the register to make any appraisement in behalf of the Commonwealth, to take any fee or reward from any executor, or administrator, legatee, next of kin, or heir of any decedent; and for any such offense the register shall dismiss him from such service, and, upon conviction in the quarter sessions, he shall be fined not exceeding five hundred dollars, and imprisoned not exceeding one year, or both, or either, at the discretion of the court.

Returns made by Appraisers to be recorded. It shall be the duty of the register of wills to enter in a book, to be provided at the expense of the Commonwealth, to be kept for that purpose and which shall be a public record, the returns made by all appraisers under this act, opening an account in favor of the Commonwealth against the decedent's estate, and the register may give certificates of payment of such tax from such record; and it shall be the duty of the register to transmit to the Auditor General, on the first day of each month, a statement of all returns made by appraisers during the preceding month, upon which the taxes remain unpaid, which statement shall be entered by the Auditor General in a book to be kept by him for that purpose. And whenever any such tax shall have remained due and unpaid for one year, it shall be lawful for the register to apply to the orphans' court, by bill or petition, to enforce the payment of the same: whereupon said court, having caused due notice to be given to the owner of the real estate charged with the tax and to such other person as may be interested, shall proceed, according to equity, to make such decrees or orders for the payment of the said tax out of such real estates, as shall be just and proper.

Citation to issue to Parties in Default. If the register shall discover that any collateral inheritance tax has not been paid over according to law, the orphans' court shall be authorized to cite the executors or administrators of the decedent, whose estate is subject to the tax, to file an account, or to issue a citation to the executors, administrators, or heirs, citing them to appear on a certain day and show cause why the said tax should not be paid; and when personal service cannot be had, notice shall be given for four weeks, once a week, in at least one newspaper published in said county; and if the said tax shall be found to be due and unpaid, the said delinquent shall pay said tax and costs. And it shall be the duty of the register, or of the Auditor General, to employ an attorney of the proper county to sue for the recovery and amount of such tax: and

the Auditor General is authorized and empowered, in settlement of accounts of any register, to allow him costs of advertising, and other reasonable fees and expenses, incurred in the collection of taxes.

Register of Wills to collect Collateral Inheritance Tax. The registers of wills of the several counties of this Commonwealth, upon their filing with the auditor general of the bond hereinafter required, shall be the agents of the Commonwealth for the collection of the collateral inheritance tax; and for the services rendered in collecting and paying over the same, the said agents shall be allowed to retain for their own use five per centum upon the collateral inheritance tax collected, if the said tax shall amount to a sum less than two hundred thousand dollars in any year; or four per centum upon the said tax, if the same shall amount to two hundred thousand dollars and less than three hundred thousand dollars in any year; or three per centum upon the said tax, if the tax collected shall amount to three hundred thousand dollars or more in any year: *provided further*, that this section shall not apply to the fees of the registers elected prior to the passage of this act.

Bond of Register. The said register shall give bond to the Commonwealth in such penal sum as the orphans' court of the county may direct, with two or more sufficient sureties, for the faithful performance of the duties hereby imposed, and for the regular accounting and paying over of the amounts to be collected and received; and said bond, on its execution and approval by the said orphans' court, to be forwarded to the Auditor General.

County Treasurer to collect until Register gives Bond. Until bond and security be given, as required by the preceding section, the said collateral inheritance tax shall be received and collected by the county treasurer as heretofore; and, in such cases, all the provisions of this act relating to collection and payment by registers shall apply to the county treasurer.

Register to make Quarterly Returns. It shall be the duty of the register of wills of each county to make returns and payment to the State Treasurer of all the collateral inheritance taxes he shall have received, stating for what estate paid, on the first Mondays of April, July, October and January in each year; and for all taxes collected by him, and not paid over within one month after his quarterly return of the same, he shall pay interest at the rate of twelve per centum per annum until paid.

Tax to remain a Lien until paid. The lien of the collateral inheritance tax shall continue until the said tax is settled and satisfied: *provided*, that the said lien shall be limited to the personal property chargeable therewith; and *provided further*, that all collateral inheritance taxes shall be sued for within five years after they are due and legally demandable, otherwise they shall be presumed to have been paid, and cease to be a lien as against any purchasers of real estate.

The amount received from the tax for the fiscal year ending November 30, 1903, was \$1,300,834, from decedents numbering about 3,500. No interest was received.

Porto Rico.

The Inheritance Tax law of Porto Rico was approved January 31, 1901. A digest of some sections in the law follows:

All real property within Porto Rico, and any interest therein, whether belonging to inhabitants of Porto Rico or not, and all personal property belonging to inhabitants of Porto Rico, passing by will to any person, association, institution or corporation, other than to wife, child, grandchild, or person legally recognized as an adopted child of the decedent, shall be subject to tax; *provided*, that all sums less than \$200 shall not be taxable; on sums not exceeding \$5,000 in value when bequest to the husband, and all lineal descendants, whether legitimate or illegitimate, a tax shall be paid of one per cent, and all other relatives of whatever degree and all other persons, associations, etc., shall pay a tax of three per cent; on inheritances exceeding \$5,000 but not exceeding \$20,000 in value there shall be paid on the excess over \$5,000 one and one-half times the rates just quoted; upon bequests exceeding \$20,000 but not exceeding \$50,000 there shall be paid on \$5,000 either one or three per cent according to degree of relationship; on \$15,000 one and one-half times such rates; and on the excess over \$20,000 twice such rates; upon inheritances exceeding \$50,000 there shall be paid on \$5,000 either one or three per cent according to degree of kinship; on \$15,000 one and one-half times such rates; on \$30,000 twice such rates; and on the excess over \$50,000 three times such rates.

Taxes are payable immediately upon the death of the decedent. If same are not paid within one year interest at the rate of 10 per cent shall be charged.

Tennessee.

The Collateral Inheritance and Succession Tax of Tennessee was levied under chap. 174, Acts of 1893, and amended in 1899 (chap. 213) and 1903 (chaps. 341 and 561). The law provides :

All estates within the jurisdiction of Tennessee, belonging to resident or otherwise, passing to person or persons, or to bodies corporate or politic, other than to father, mother, brother, sister, the wife or widow of a son, or husband of a daughter, or any child adopted under State law, husband, wife, children, and lineal descendants born in lawful wedlock, or to any religious, charitable, scientific, literary or educational institution shall be subject to a five per cent tax for the use of the State; *provided*, that no estate valued at less than \$250 shall be taxed. If the collateral inheritance tax is paid within three months after the death of decedent, a discount of five per cent shall be allowed; if tax is not paid at the end of one year, interest shall be charged on same at the rate of six per cent a year.

Utah.

Chapter 62, Acts of 1901 of Utah, imposes a tax upon legacies and inheritances in certain cases. The law was amended by chap. 93, Acts of 1903. The law states :

All property within the jurisdiction of Utah, whether belonging to residents or non-residents, and whether tangible or intangible, bequeathed by a decedent, shall be subject to a tax of five per cent of its value above the sum of \$10,000 after the payment of debts for the use of the State. The tax shall be and remain a lien on such estate until paid. In determining the amount of tax to be paid under the provisions of this section, after the payment of all debts, the sum of \$10,000 shall be deducted from the entire estate, and the tax shall be computed and paid on the entire remainder, and the courts shall determine the amount of tax to be paid by the several legatees or grantees of the decedent. Tax of real estate subject to such tax to be paid within 15 months after appointment of executor; in default thereof as much of the estate as is necessary to pay tax shall be sold. All taxes imposed by the act shall be payable within 15 months; taxes not paid within the prescribed time are paid on interest at the rate of eight per cent a year.

In the year 1903, 20 estates paid tax of \$44,144; no interest was paid thereon. The State treasurer is of the opinion that the law is being evaded by making too low appraisements, also by securities and cash being omitted.

Vermont.

Chapter 46, Acts of 1896, approved November 24, levied a tax on collateral inheritances. There have been no amendments thereto. The amount of the tax for the fiscal year ending June 30, 1903, was \$29,440, the number of decedents being 89. The taxes are payable into the State treasury and are used for the general purposes of the State.

All property within the jurisdiction of the State shall be subject to tax of five per cent of its value, except when bequeathed to father, mother, husband, wife, lineal descendant, adopted child, the lineal descendant of any adopted child, the wife or widow of a son or the husband of the daughter of a decedent, or to or for charitable, educational or religious societies or institutions, the property of which is exempt by law from taxation. No estate shall be subject to the provisions of this act unless the value of the same, after payment of debts and expenses of administration including money paid out under order of the Probate Court for the purchase of burial stones, shall exceed the sum of \$2,000. All taxes are payable at the expiration of one year, unless extension of time is granted by the Court.

Virginia.

The original law taxing collateral inheritances in Virginia was passed February 6, 1844, and repealed in 1884 (chap. 389). The law provided for a two per cent tax on all estates valued above \$250 except when beneficiary was a lineal heir. In 1896, chap. 334 imposed a tax on collateral inheritances. This Act was amended in 1898, re-enacting section one of the Act of 1896 so far as same relates to property used exclusively for State, county, municipal, benevolent, charitable, educational and religious purposes. A digest of the important provisions of the collateral inheritance tax law follows :

Where an estate within this Commonwealth of any decedent shall pass to any other person than to grandfather, grandmother, father, mother, husband, wife, brother, sister, or lineal descendant of such decedent, the estate so passing shall be subject to a tax of five per cent; *provided*, that all bequests to be used exclusively for public purposes, or for benevolent, charitable, educational and religious purposes be exempt. Any personal representative to whom the estate may descend by operation of law, failing to pay tax before the estate on which it is chargeable is delivered over, shall be liable to damages at the rate of 10 per cent a year from the time such estate is paid over until the tax is paid.

Washington.

An Act relating to the taxation of inheritances in Washington was passed in 1901. The number of estates taxed in 1903 was 31, the amount collected, \$16,073. It is stated that a good many cases are in course of settlement, and that collections for the year 1904 will doubtless be two or three times larger than those for 1903. The law provides :

All property within the jurisdiction of this State, belonging to residents or non-residents, tangible or intangible, is subject to a tax for the use of the State, after the payment of all debts owing by the decedent at the time of his death, the local and State taxes due from the State prior to his death, and a reasonable sum for funeral expenses, Court costs, including cost of appraisal made for the purpose of assessing the inheritance tax, etc. One per cent tax is imposed upon bequests above the first \$10,000, passing to or for the use of the father, mother, husband, wife, lineal descendant, adopted child, or the lineal descendant of an adopted child; on all sums not exceeding the first \$50,000, of three per cent where such estate passes to collateral heirs to and including the third degree of relationship, and to six per cent where such estate passes to collateral heirs beyond the third degree, or strangers to the blood; on all sums above the first \$50,000 and not exceeding the first \$100,000, four and one-half per cent to collateral heirs to and including the third degree, or to strangers to the blood; and on all sums in excess of the first \$100,000 the tax shall be six per cent to collateral heirs to and including the third degree, and 12 per cent to collateral heirs beyond the third degree, or to strangers to the blood.

All taxes shall be paid within 15 months from the death of the decedent. Taxes not paid within the time prescribed shall draw interest at the legal rate (six per cent) until paid.

West Virginia.

The Collateral Inheritance Tax act of West Virginia was passed by the legislature of 1887, chap. 31, and amended in 1891, chap. 116. The tax has not been productive of much revenue to the State, netting in 1903 but \$1,367. A digest of certain parts of the law follows :

All estates passing to any person or persons other than to or for the use of the father, mother, husband, wife, children, and lineal descendants shall be subject to a tax of two and one-half per cent on every \$100 of the clear value of such estate, money or securities: *provided*, that

no estate, valued at a less sum than \$1,000 shall be subject to tax. The amount of said tax shall be a lien on said real estate from the death of decedent until paid. Tax shall be paid as soon as practicable from the date of administration. If parties fail to pay tax within a reasonable time, the Circuit Court of the county shall sell so much of the estate as is necessary to cover the amount of tax and expenses of sale.

Wisconsin.

The law taxing legacies and inheritances in Wisconsin was enacted in the years 1899 and 1901, chap. 355 and chap. 245, respectively. The measure was declared unconstitutional by the Supreme Court of the State, and as a consequence the amount collected thereunder, amounting to \$59,767, was ordered returned to persons legally entitled thereto, by chap. 297 of the Laws of 1903. To avoid the objections raised by the ruling of the Supreme Court, a new act was passed in 1903 known as chap. 44. Chapter 249, Acts of 1903, amended two sections of chap. 44. Practically no receipts have been received under the new law. The law in part follows:

Tax is imposed upon any transfer of property under the jurisdiction of the State, belonging to resident decedent or non-resident, whether tangible or intangible, except corporations of this State organized under its laws solely for religious, charitable or educational purposes, which shall use the property so transferred exclusively for the purposes of their organization within the State.

The following assessments are under the primary rates — where property is not in excess of \$25,000: One per cent of the clear value of such interest on such property bequeathed to husband, wife, lineal issue, lineal ancestor of a decedent, or any child adopted as such in conformity with the laws of the State, or any child for whom such decedent, for not less than 10 years prior to such transfer stood in a mutually acknowledged relation of a parent: *provided*, that such relationship began at or before the child's 15th birthday and was continuous for said 10 years thereafter, or any lineal issue of such adopted or mutually acknowledged child; at the rate of one and one-half per cent where the beneficiary shall be the brother or sister or a descendant of a brother or sister of a decedent, the wife or widow of a son, or the husband of the daughter of the decedent; at the rate of three per cent where the person entitled to any beneficial interest shall be the brother or sister of the father or mother, or the descendant of a brother or sister of the father or mother of a decedent; at the rate of four per cent where the beneficiary shall be the brother or sister of the grandfather or grandmother, or a descendant of the brother or sister of the grandfather or grandmother of the decedent; at the rate of five per cent where the beneficiary shall be in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the decedent, or shall be a body politic or corporate.

When the amount of the clear value of such property or interest exceeds \$25,000, the rates of tax upon such excess shall be as follows: Upon all in excess of \$25,000 and up to \$50,000, one and one-half times the primary rates; upon all in excess of \$50,000 and up to \$100,000, twice the primary rates; upon all in excess of \$100,000 and up to \$500,000, two and one-half times the primary rates; upon all in excess of \$500,000, three times the primary rates.

The following are exemptions under the act: Property of the clear value of \$10,000 transferred to the widow of the decedent, and \$2,000 transferred to each of the other persons coming under the one per cent tax, shall be exempt; property amounting to \$500 transferred to each of the persons described under the one and one-half per cent tax, shall be exempt; property of the clear value of \$250 transferred to each of the persons described under the three per cent tax, shall be exempt; property of the clear value of \$150 transferred to each of the persons under the four per cent tax, shall be exempt; property of the clear value of \$100 transferred to each of the persons under the five per cent tax, shall be exempt.

Every such tax shall be and remain a lien upon property until paid. If tax is paid within one year, a discount of five per cent shall be deducted; if such tax is not paid within 18 months from the accruing value interest shall be charged at the rate of 10 per cent, unless delay was caused unavoidably when the interest shall be reduced to six per cent.

Wyoming.

The inheritance tax of Wyoming was passed February 21, 1903, with no amendments to date. As yet no tax has been received. The law taxes:

All property, real, personal and mixed, within the jurisdiction of the State, belonging to a resident decedent or non-resident, and whether tangible or intangible. When the beneficial interests to any property or income therefor passes to or for the use of a father, mother, husband, wife, child, brother, sister, wife or widow of the son, or the husband of the daughter, or any child or children adopted as such in conformity with the laws of the State of Wyoming, or to any person to whom the deceased for not less than 10 years prior to death stood in acknowledged relation of a parent, or to any lineal descendant born in lawful wedlock, the rate of tax shall be \$2 on each \$100 of the clear market value of such property received by each person; *provided*, that the sum of \$10,000 of any such estate shall not be subject to such tax, the amount in excess of \$10,000 being liable to tax; in other cases the rate shall be \$5 on each and every \$100 of the clear market value, and at the same rate for any less amount; *provided*, that an estate in the above case which may be valued at a less sum than \$500 shall not be subject to tax.

Character of Laws, Exemptions, Taxes, Etc.

	STATES AND TERRITORIES.	Year in which <i>Original</i> Law was passed	Character of Law	Value and Classification of Property Liable to Tax
1	Arkansas, . . .	1901	Collateral,	All,
2	California, . . .	1893	Collateral,	All above \$500,
3	Colorado, . . .	1902	Collateral and lineal,	All above \$10,000 (lineal); \$500 (collateral), . . .
4	Connecticut, . .	1889	Collateral and lineal,	All above \$10,000,
5	Delaware, . . .	1869	Collateral,	All above \$500,
6	Hawaii,	1893	Collateral,	All above \$500,
7	Illinois,	1895	Collateral and lineal,	All above \$20,000 and \$2,000 (lineal); \$500 (collateral),
8	Iowa,	1896	Collateral,	All above \$1,000,
9	Malne,	1893	Collateral,	All above \$500,
10	Maryland, . . .	1844	Collateral,	All above \$500,
11	Massachusetts, .	1891	Collateral,	All above \$500,
12	Michigan, . . .	1899	Collateral and lineal,	Personal above \$2,000 (lineal); all above \$100 (col- lateral).
13	Missouri, . . .	1899	Collateral,	All,
14	Montana, . . .	1897	Collateral and lineal,	Personal, \$7,500 (lineal); all above \$500 (collateral),
15	Nebraska, . . .	1901	Collateral and lineal,	All above \$10,000 and \$2,000 (lineal); \$500 (collateral),
16	New Jersey, . .	1894	Collateral,	All above \$500,
17	New York, . . .	1885	Collateral and lineal,	All above \$10,000 (lineal); \$500 (collateral), . . .
18	North Carolina, .	1901	Collateral and lineal,	All personal above \$2,000,
19	North Dakota, .	1903	Collateral,	All above \$25,000,
20	Ohio,	1893	Collateral,	All above \$200,
21	Ohio,	1904	Lineal,	All above \$3,000,
22	Oregon,	1903	Collateral and lineal,	All above \$10,000 (lineal); \$500 (collateral), . . .
23	Pennsylvania, . .	1826	Collateral,	All above \$250,
24	Porto Rico, . . .	1901	Collateral and lineal,	All above \$200,
25	Tennessee, . . .	1893	Collateral,	All above \$250,
26	Utah,	1901	Collateral and lineal,	All above \$10,000,
27	Vermont,	1896	Collateral,	All above \$2,000,
28	Virginia,	1844	Collateral,	All,
29	Washington, . .	1901	Collateral and lineal,	All above \$10,000,
30	West Virginia, .	1887	Collateral,	All above \$1,000,
31	Wisconsin, . . .	1899	Collateral and lineal,	All above \$10,000 to \$150 (lineal); \$100 (collateral), .
32	Wyoming,	1903	Collateral and lineal,	All above \$10,000 (lineal); \$500 (collateral), . . .

* Amount collected from passage of act to date.

Considering the amount of tax collected for the year 1903, it will be seen from the above table that New York far outranks all other States, leading with an income from inheritance tax of \$4,665,735; Pennsylvania comes next with \$1,300,834; Illinois follows with \$519,320; Massachusetts, \$518,626; California, \$290,447; Connecticut, \$249,730; the other amounts range from \$164,572 in Michigan to \$1,367 in West Virginia. The rate of tax levied in States where a purely collateral inheritance tax exists varies from two to five per cent. In States where the law provides for a direct and collateral tax, the rate of tax ranges from one-half of one

The provisions of this chapter shall not apply to bona fide residents of this State when they shall possess the relation of either husband or wife or children of the deceased, and where the valuation of the property does not exceed the sum of \$25,000 to each such legatee. Taxes are payable at the death of decedent, and interest at the rate of six per cent a year shall be charged on taxes not paid. If taxes are paid within six months from the accruing thereof, interest shall not be charged, but a discount of five per cent is deducted.

From the foregoing accounts, the following table has been compiled incorporating some of the important factors of the law, and the results derived therefrom. In this way, ready comparisons may be made between the several States.

Character of Laws, Exemptions, Taxes, Etc.

Exemptions	Rates of Tax (per cent)	Amount Collected during Year 1903, including Interest	Rates of Interest Thereon (per cent)	Number of Decedents Covered	
Lineal heirs,	5	\$2,735	9	3	1
Lineal heirs and charitable and educational institutions,	5	200,447	10	-	2
None,	2 to 6	4,000*	6	14	3
None,	$\frac{1}{2}$ and 3	249,730	9	500	4
Lineal heirs,	5	1,618	-	-	5
Lineal heirs and incorporated or private schools,	5	-	-	-	6
Charitable, educational, and religious institutions,	1 to 6	519,320	6	220	7
Lineal heirs and charitable, educational, and religious institutions,	5	138,000	8	469	8
Lineal heirs and charitable, educational, and religious institutions,	4	31,227	9	149	9
Lineal heirs,	$2\frac{1}{2}$	89,487	-	-	10
Lineal heirs and charitable, educational, and religious institutions,	5	518,626	6	650	11
Lineal heirs (partial),	1 and 5	164,572	8	272	12
Lineal heirs and charitable, educational, and religious institutions,	5	142,564	12	-	13
None,	1 and 5	14,536	10	-	14
None,	1 to 6	4,189*	7	16†	15
Lineal heirs and charitable and religious institutions,	5	149,577	6 and 10	-	16
Charitable, educational, and religious institutions,	1 and 5	4,665,735	10	3,767	17
Husband or wife and charitable, educational and religious institutions,	$\frac{3}{4}$ to 15	12,579	6	-	18
Lineal heirs and charitable, educational and religious institutions,	2	-	8	-	19
Lineal heirs and public, charitable, and educational purposes,	5	-	8	-	20
Lineal heirs,	2	-	6	-	21
Charitable institutions,	1 to 6	-	8	-	22
Lineal heirs and bequests for care of burial lots,	5	1,300,834	12	3,500	23
Lineal heirs (partial),	1 to 9	-	10	-	24
Lineal heirs and charitable, religious, and educational institutions,	5	-	6	-	25
None,	5	44,144	8	20	26
Lineal heirs and charitable, educational, and religious institutions,	5	29,440	-	89	27
Lineal heirs and public, charitable, educational, and religious institutions,	5	-	10	-	28
None,	1 to 12	16,073	6	31	29
Lineal heirs,	$2\frac{1}{2}$	1,367	-	-	30
Lineal heirs (partial) and charitable, educational, and religious institutions,	1 to 15	59,767†	10	-	31
Lineal heirs (partial),	2 and 5	-	6	-	32

† For 1903.

‡ Total collections; refunded upon decision that law was unconstitutional.

per cent to 15 per cent. The rate of interest imposed upon unpaid taxes varies from six to 12 per cent a year.

The Governors of many States took occasion in their last messages to the General Courts to remark upon the inheritance tax law in such manner as is given in the following digest:

Louisiana. Levy of inheritance tax for the benefit of school fund recommended.

Michigan. The statute providing for the collection of a tax from the transfer of property by will or inheritance has added a considerable revenue to the primary school interest fund, and this will probably increase from year to year with the growth of the state in population and wealth.

The law, however, is in such faulty form that this Legislature should see that it is so amended that no uncertainty will exist in regard to its terms.

Missouri. The constitutionality of the act providing for the taxation of collateral inheritances, legacies, gifts and conveyances in certain cases, to provide revenue for educational purposes, for the maintenance and support of the Missouri State University and its departments, has been sustained by the Supreme Court.

Oregon. In New York and other states, statutes have been enacted imposing taxes on inheritances. Such a system of taxation ought to be essayed in Oregon. It has been objected that there are no such colossal fortunes here as would warrant or justify the imposition of taxes on inheritances either direct or collateral. This is in part true, and for that very reason there would be less opposition to such legislation now than there would be if it be postponed to a later date. The records of the county courts in every county in the state will disclose the astounding fact, that many, if not all the estates going through probate, escape a just share of the burdens of taxation during the lifetime of the testators or intestates.

Wisconsin. The inheritance tax law, enacted as ch. 355, laws of 1899, was held in *Black vs. The State*, 113 Wis. 205, to be unconstitutional, on the ground that certain of its provisions established unjust and unlawful discriminations between persons in the same class in violation of the rules of uniformity and equality. In its decision the court says: "We have reached this conclusion reluctantly. We should far rather have sustained the law, but the conclusion has been forced on us. We agree with the general principles which have been approved by the overwhelming weight of authority in the courts in this country in reference to inheritance and succession tax laws."

Although, as we have said before, the subject of the inheritance tax has been treated in this study in the briefest manner compatible with an understanding of the law and its results, enough data have been given to convince one of the great importance of the tax and its increasing popularity. The principle of the law is equitable and within reason. As a means of increasing the revenue of a State, the inheritance tax law has proved, in many cases, most remunerative. It could be made more so in the majority of States by amendments setting forth more stringent regulations, abolishing certain exemptions, and taxing, in some degree, lineal as well as collateral heirs. Such restrictive measures have been agitated by several of the legislatures but bills have failed of re-enactment. The inheritance tax is and doubtless will always be a subject of litigation in the courts, but precedents as to the constitutionality of the law are constantly being established which, in time, will tend to diminish existing complications.

ABSENCE AFTER PAY DAY.

The statement has frequently been made that the indulgence in intoxicating liquors by workingmen after pay day is an evil which affects the industry of the Commonwealth in a large and increasing ratio. This impression seems to be derived from the strenuous efforts of the temperance reformers, and numerous inquiries have been made of this Department as to the truth of the statement. During the latter part of February and the early part of March, while our Special Agents were engaged upon another line of investigation, they were instructed to inquire as to the

effect of drunkenness after pay day so far as the establishments visited were concerned.

The following table shows the cities, towns, and number of establishments visited, together with the number of males over 16 years of age at work on Saturday and the number at work on the following Monday, the number absent on Monday on account of drunkenness or some other specified cause, and percentages of the number of males absent on account of drunkenness of the total males employed on Saturday :

CITIES AND TOWNS.	Number of Establishments Visited	NUMBER OF MALES OVER 16 YEARS OF AGE AT WORK ON—		NUMBER OF MALES ABSENT ON MONDAY ON ACCOUNT OF—		Percentages of Drunkenness of Total Males Employed
		Saturday	Monday	Drunkenness	Other Causes	
Attleborough,	6	115	96	5	14	4.35
BEVERLY,	7	234	232	—	2	—
BROCKTON,	17	448	414	11	23	2.46
CHICOPEE,	3	40	40	—	—	—
Danvers,	5	111	111	—	—	—
FALL RIVER,	72	16,228	15,488	*162	578	1.00
GLOUCESTER,	11	71	71	—	—	—
HAVERHILL,	27	2,804	2,733	51	20	1.82
HOLYOKE,	9	193	188	3	2	1.55
LAWRENCE,	9	108	108	—	—	—
LOWELL,	22	309	308	1	—	0.32
LYNN,	45	1,856	1,839	17	—	0.92
Marblehead,	6	82	82	—	—	—
NEW BEDFORD,	45	10,837	10,313	153	371	1.41
NORTHAMPTON,	3	87	87	—	—	—
Peabody,	8	610	600	2	8	0.33
PITTSFIELD,	3	22	20	—	2	—
QUINCY,	12	200	174	14	12	7.00
Rockland,	4	96	89	2	5	2.08
SALEM,	28	715	704	8	3	1.12
SPRINGFIELD,	30	734	720	*10	4	1.36
TAUNTON,	16	1,702	1,646	17	39	1.00
Other cities and towns,	25	2,159	2,084	55	20	2.55
TOTALS,	413	39,761	38,147	7511	1,103	1.29

* One of these persons was under 21 years of age.

† Two of these persons were under 21 years of age.

Included in the other cities and towns are Adams, Ashburnham, Braintree, Bridgewater, Chelmsford, Cummington, Essex, Gardner, Hudson, North Andover, North Attleborough, Palmer, Randolph, Spencer, and Ware, in each of which places one establishment was visited, and North Adams, South Hadley, Westfield, Whitman, and Worcester, in each of which places two establishments were visited.

The number of males over 16 years of age who were at work on Saturday was 39,761, and on Monday, 38,147, a decrease of 1,614, or 4.06 per cent. Of these, 1,103, or 68.34 per cent of those not at work, were reported absent on account of sickness or other causes, and 511, or 31.66 per cent, on account of drunkenness. The aggregate number of those reported absent for this cause in all the establishments visited in the cities and towns mentioned formed 1.29 per cent of all the employees in these establishments, or, in other words, more than one male out of each one hundred males over 16 years of age employed on Saturday were absent on Monday because of indulgence in alcoholic stimulants.

The city of Fall River, one of the great cotton goods manufacturing centres of the State, had but one per cent of the males over 16 years of

age absent from this cause, and the largest percentages, larger than that shown for all the cities and towns considered, are found in Attleborough, Brockton, Haverhill, Holyoke, New Bedford, Quincy, Rockland, and Springfield.

Whether or not employees in certain kinds of work are affected by the evils of drunkenness more than those in others is shown in the following table, wherein the persons in the above cities and towns are distributed by industries :

INDUSTRIES.	Number of Establishments Visited	NUMBER OF MALES OVER 16 YEARS OF AGE AT WORK ON —		NUMBER OF MALES ABSENT ON MONDAY ON ACCOUNT OF —		Percentages of Drunkenness of Total Males Employed
		Saturday	Monday	Drunkenness	Other Causes	
Artisans' tools,	3	45	44	—	1	—
Boots and shoes,	98	6,727	6,555	119	53	1.77
Factory product,	70	6,186	6,060	94	32	1.52
Soles, heels, and cut stock,	18	334	314	13	7	3.89
Findings,	7	105	95	3	7	2.86
Bottoming, heeling, etc.,	3	102	86	9	1	8.82
Boxes (paper and wooden),	8	135	193	1	1	0.51
Building,	32	932	831	33	68	3.54
Carpentering,	6	167	147	4	16	2.40
Contracting and building,	5	265	246	7	12	2.64
Painting, paper hanging, etc.,	9	204	174	12	18	5.88
Plumbing, and steam and gas fitting,	12	296	264	10	22	3.38
Carriages and wagons,	10	173	160	6	7	3.47
Cotton goods,	63	24,153	23,183	248	722	1.03
Woven,	51	20,742	19,891	*219	632	1.06
Yarn and thread,	12	3,411	3,292	29	90	0.85
Electrical apparatus and appliances,	3	114	109	2	3	1.75
Food preparations,	28	170	169	1	—	0.59
Furniture,	7	175	146	15	†14	8.57
Glue, isinglass, and starch,	3	108	106	2	—	1.85
Jewelry,	7	140	122	5	13	3.57
Leather and leather goods,	13	928	915	2	11	0.22
Machines and machinery,	31	1,480	1,416	19	45	1.28
Metals and metallic goods,	23	1,307	1,262	*18	27	1.38
Models, lasts, and patterns,	4	87	87	—	—	—
Paper and paper goods,	3	41	40	1	—	2.44
Printing, publishing, and book-binding,	3	92	90	—	2	—
Print works, dye works, and bleacheries,	3	285	268	3	14	1.05
Saddlery and harness,	3	28	27	1	—	3.57
Shipbuilding,	3	37	37	—	—	—
Stone,	14	192	168	12	12	6.25
Tobacco, snuff, and cigars,	5	50	47	3	—	6.00
Wooden goods,	13	400	383	7	10	1.75
Woolen goods,	4	338	329	1	8	0.30
Worsted goods,	3	95	92	1	2	1.05
Other industries,	26	1,469	1,368	11	90	0.75
TOTALS,	413	39,761	38,147	†511	1,103	1.29

* One of these persons was under 21 years of age.

† Six of these men were obliged to be idle owing to the drunkenness of nine others.

‡ Two of these persons were under 21 years of age.

The industries included under "Other Industries" are Awnings, Sails, Tents, etc.; Bicycles, Tricycles, etc.; Brick, Tiles, and Sewer Pipe; Brooms, Brushes, and Mops; Crayons, Pencils, Crucibles, etc.; Glass; Hose and Belting; Rubber, Linen, etc.; Hosiery and Knit Goods; Liquors (Malt); Musical Instruments and Materials; Oils and Illuminating Fluids; Polishes and Dressing; Rubber and Elastic Goods; and Sporting and Athletic Goods, in each of which one establishment was visited, and Agricultural Implements; Clothing; Cordage and Twine;

Drugs and Medicines : Electroplating : and Whips, Lashes, and Stocks, in each of which two establishments were visited.

Boots and Shoes, in the aggregate, shows a percentage of 1.77 males over 16 years of age absent on Monday on account of drunkenness. In other words, nearly two males above 16 years of age, out of each one hundred persons employed in the 98 establishments on Saturday, were absent the following Monday on account of drunkenness.

Certain of the subdivisions of this industry show somewhat larger percentages than this, but it will be noted that the figures upon which the percentages are based are relatively small. Of the males engaged in the manufacture of furniture it is seen that 15 out of 175 at work on Saturday were absent on Monday owing to intemperance. One of these establishments stated that six men who could otherwise have worked were obliged to be idle on account of the intoxication of nine of their fellow-workmen. The work in modern manufacturing establishments, especially shoe factories, is so well balanced that the different sets of workmen are dependent upon each other for materials upon which to work, and the frequent absence of individuals would tend to disarrange the entire system, and not only cause a lessened production to the manufacturer, but the interests of the employees would be adversely affected, especially where the piece system is in practice.

Of the males above 16 years of age employed in the building industry, nearly four persons out of each one hundred were absent on account of indulgence in drink, the largest percentage appearing against the trade of painting and paper hanging, nearly six out of each one hundred in the nine establishments visited being credited with absence on this account, while three out of each one hundred plumbers and steam and gas fitters were likewise absent from 12 establishments. In 14 establishments, employing 192 stone workers on Saturday, 12, or 6.25 per cent, were absent on Monday, the cause being given as intemperance, while in five cigar factories employing 50 males on Saturday, three males, or six per cent, were out for the same reason. The aggregate number of persons affected was, as has been previously stated, 511, or 1.29 per cent of the 39,761 males over 16 years of age employed on Saturday in the 413 establishments. A few industries exhibit a smaller percentage than that shown for all the industries considered : these are Boxes (Paper and Wooden) ; Cotton Goods (in the aggregate and in detail) : Food Preparations ; Leather and Leather Goods ; Machines and Machinery ; Print Works, Dye Works, and Bleacheries ; Woolen Goods ; and Worsted Goods. One bright feature of the situation is the fact that out of the total number of 511 males accounted as being absent on account of drunkenness, only two were under 21 years of age, one being in Fall River engaged in the cotton goods industry, and the other in Springfield in the metals and metallic goods business.

From the statements made by employers to our Special Agents, it seems that very little trouble now results from intemperance compared with a few years ago. In former times, men who received their pay on Saturday night would, in many cases, get drunk before going home and keep drinking all day Sunday, so that on Monday they would not be fit for work. This, to a certain extent, is true to-day. To remedy this evil, manufacturers changed the pay day from Saturday to the first part or the middle of the week. One boot and shoe manufacturer stated, however, that in December, 1903, he changed his pay day from Friday to Saturday on account of the large number of employees who did not report for work on Saturday. He employed, at the time of our Agent's visit, 868 males above 16 years of age on Saturday, March 4, and but 856 reported for work on the following Monday, 12 of them being absent on account of drunkenness, only 1.38 per cent, as compared with nearly 10 per cent before the change; this was considered a great improvement. On the other hand, such employers as have changed to the first or the middle of week state that the men are more willing to go directly home after working a full day, knowing that they must report for work the following day.

As a rule, the employers will not allow a man in their factory who cannot be depended upon. Workmen who cannot control their appetite for alcoholic stimulants sufficiently to enable them to attend regularly and properly to their employment find it difficult to secure situations, or to keep them when obtained. It is true, however, that in time of business activity, unreliable workmen, generally strangers, are often from necessity employed: but the first lull in trade is the signal for their summary discharge, and, as a rule, departure for other localities where their habits are unknown.

It sometimes happens that a workman of exceptional skill and value, whose intemperance is periodic in its nature, will in consequence of his normal worth escape the penalties usually meted out to his less fortunate companion, the weekly transgressor, and be re-instated in his situation upon the termination of his temporary industrial incapacity; but in such instances, the effects of the man's habits can be closely calculated by his regular employer, and their adverse influence upon his business provided for in a measure.

Whatever complaints are heard from employers as to intemperance come, as a general rule, from those in the less skilful branches of industry, and from the less important establishments, where the amount of weekly wages earned by the workman is comparatively small, such as small shoe stock manufacturers and other easily acquired trades. There is also complaint made by the employers of workmen in some of the rougher vocations, such as quarrying, while in all lines it is conceded that in hurriedly employing unknown workmen the likelihood of having persons of an undesirable class forced upon them is greatly augmented. There are

undoubtedly some absences from large establishments, employing many persons, which are for want of absolute knowledge charged to sickness; but many repetitions of the act are sure to lead to investigation and discharge.

In industries such as salt-fish curing, where the employees are employed off hand when a vessel comes in, and are paid by the hour while they work and are discharged as soon as the work is finished, the occasional absence of one of them would ordinarily lead to no inquiry regarding the cause, as their places are readily filled, and employees absent themselves if they choose, so that except from current report, employers would not be likely to know the reason for such absences.

It is worthy of note that local conditions have oftentimes much to do with troubles arising from the improper use of alcoholic liquors where they exist; thus, a factory making somewhat of a specialty, while located in Lynn, where license usually prevails, generally had about two per cent of its men absent on Mondays after pay day, but since its removal to a town where the sale of intoxicating liquors is not licensed, no trouble is experienced in this respect from practically the same men.

It was reported by several establishments in Salem that during the prevalence of no-license in recent years, very little trouble occurred from drunkenness among its workmen, but that, with the institution of the license system again, the workmen, deprived for some time of the opportunity of purchasing liquor, drank to excess, particularly after being paid off on Saturdays, causing a great deal of trouble from lost time; but as the men became accustomed to the new conditions of liquor selling, this trouble disappeared.

The season of the year also has its effect. It is asserted by some manufacturers that there is more loss of time among employees from the use of liquor in the Summer, when men can stay out of doors in comfort, than there is in the Winter.

PAY OF NAVY YARD WORKMEN.

As will be seen from the following Act, the wages of navy yard workmen are different in the several cities according to the prevailing wages for the same grades of employment in the respective cities.

Chap. 184. That the hours of labor and the rate of wages of the employees in the navy yards shall conform, as nearly as is consistent with the public interest, with those of private establishments in the immediate vicinity of the respective yards, to be determined by the commandants of the navy yards, subject to the approval and revision of the Secretary of the Navy. *Approved July 16, 1862. (Amends Act approved December 21, 1861.)*

The length of the working-day is eight hours in all navy yards, according to the provision of Rev. Stat. 1878, Title 43, Sec. 3738.

In this article we will consider the present rate of wages paid in the Boston Navy Yard (Charlestown) only. The following table shows the classification of occupations under Schedule A and Schedule B with number employed in each branch, the present daily rate of wages according to the four classes, and the average pay a day. Schedule A includes unskilled workmen, laborers, and helpers; Schedule B includes skilled workmen and mechanics.

CLASSIFICATION OF OCCUPATIONS.	Number Em- ployed	PRESENT PAY PER DAY				Average Pay per Day
		Classes				
		1	2	3	4	
<i>Schedule A.</i>						
Boys, boiler scalers,	13	\$1.52	\$1.28	\$1.04	\$0.80	\$1.34
Helpers:						
Blacksmiths',	95	2.00	1.76	1.52	1.28	2.00
Boatbuilders',	6	2.00	1.76	1.52	1.28	2.00
Boilermakers',	30	2.00	1.76	1.52	1.28	1.96
Brass finishers',	2	2.00	1.76	1.52	1.28	2.00
Chain makers',	68	2.32	2.00	1.76	1.52	2.27
Coppersmiths',	7	2.00	1.76	1.52	1.28	2.00
Electricians',	20	2.00	1.76	1.52	1.28	2.00
Galvanizers',	2	2.00	1.76	1.52	1.28	2.00
General,	134	2.00	1.76	1.52	1.28	1.98
House carpenters',	1	2.00	1.76	1.52	1.28	2.00
Iron finishers',	40	2.00	1.76	1.52	1.28	2.00
Joiners',	1	2.00	1.76	1.52	1.28	2.00
Machinists',	31	2.00	1.76	1.52	1.28	1.97
Molders',	9	2.00	1.76	1.52	1.28	2.00
Painters',	5	2.00	1.76	1.52	1.28	2.00
Plumbers',	15	2.00	1.76	1.52	1.28	2.00
Riggers',	24	2.00	1.76	1.52	1.28	1.98
Ropemakers',	23	2.00	1.76	1.52	1.28	1.98
Sawmill,	4	2.00	1.76	1.52	1.28	2.00
Ship fitters',	66	2.00	1.76	1.52	1.28	1.86
Shipwrights',	3	2.00	1.76	1.52	1.28	2.00
Hod carriers,	10	2.00	1.76	1.52	1.28	2.00
Holders-on,	23	2.32	2.08	1.84	1.60	2.21
Janitors,	4	2.24	2.00	1.76	1.52	2.00
Laborers, common	276	1.92	1.68	1.44	1.20	1.87
Rivet heaters,	30	1.52	1.28	1.04	.80	1.42
Shipkeepers,	16	2.00	-	-	-	2.00
Stable keepers,	1	2.32	2.00	1.76	1.52	2.32
Teamsters,	4	2.00	1.76	1.52	1.28	2.00
<i>Schedule B.</i>						
Blacksmiths,	17	3.28	3.04	2.80	2.56	3.12
Blockmakers,	4	3.04	2.80	2.56	2.32	3.04
Boatbuilders,	24	3.04	2.80	2.56	2.32	2.94
Boilermakers,	47	3.12	2.88	2.64	2.40	2.83
Boxmakers,	1	3.04	2.80	2.56	2.32	3.04
Cabinet makers,	4	3.04	2.80	2.56	2.32	2.98
Calkers and chippers, iron	26	2.80	2.56	2.32	2.00	2.74
Calkers, wood	17	3.28	3.04	2.80	2.56	3.28
Carpenters (house),	24	3.04	2.80	2.56	2.32	2.91
Chainmakers,	21	1.00	3.52	3.28	3.04	3.73
Coopers,	2	3.04	2.80	2.56	2.32	2.68
Coppersmiths,	6	3.36	3.12	2.88	2.64	3.32
Coremakers,	2	2.56	2.32	2.00	1.76	2.56
Die sinkers,	3	4.00	3.52	3.28	3.04	4.00
Drillers,	50	2.56	2.32	2.00	1.76	2.46
Electroplaters,	1	3.52	3.28	3.04	2.80	3.52
Engine tenders,	11	3.04	2.80	2.56	2.00	2.89
Engine tenders, locomotive	3	3.52	3.28	3.04	2.80	3.44
Engine tenders, stationary	7	3.04	2.80	2.56	2.32	2.94
Fasteners,	7	3.28	3.04	2.80	2.56	3.28
Finishers, brass	4	3.04	2.80	2.56	2.32	3.04
Finishers, iron	11	3.04	2.80	2.56	2.32	2.84
Firemen,	20	2.32	2.00	1.76	1.52	2.22
Firemen, furnace	8	2.32	2.00	1.76	1.52	2.08
Flange turners,	5	3.52	3.28	3.04	2.80	3.52
Forgers, heavy	17	4.56	4.32	4.00	3.76	4.07
Galvanizers,	2	2.80	2.56	2.32	2.00	2.80
Gardeners,	1	3.04	2.80	2.56	2.32	3.04
Hammermen,	2	6.00	5.28	4.56	4.00	6.00
Hammer runners,	5	3.04	2.80	2.56	2.32	2.94
Heaters, furnace	3	4.80	4.00	3.52	3.04	3.95
Heaters, smiths'	1	2.32	2.00	1.76	1.52	2.32
Horseshoers,	1	3.04	2.80	2.56	2.32	2.80
Hostlers,	1	2.32	2.00	1.76	1.52	2.32
Joiners, house	2	3.04	2.80	2.56	2.32	3.04
Joiners, ship	26	3.28	3.04	2.80	2.56	3.18

CLASSIFICATION OF OCCUPATIONS.	Number Em- ployed	PRESENT PAY PER DAY				Average Pay per Day
		Classes				
		1	2	3	4	
<i>Schedule B—Con.</i>						
Letterers and grainers,	1	\$3.04	\$2.80	\$2.56	\$2.32	\$3.04
Machinists, all-round	132	3.04	2.80	2.56	2.32	2.92
Machinists, electrical	10	3.28	3.04	2.80	2.56	3.21
Machinists, tool hand	20	3.04	2.80	2.56	2.32	2.78
Masons, brick	6	4.00	3.76	3.52	3.28	3.96
Mechanics, electrical	7	3.52	3.28	3.04	2.80	3.32
Melters,	3	2.80	2.56	2.32	2.00	2.80
Mill-men,	9	2.80	2.56	2.32	2.00	2.69
Millwrights,	9	4.00	3.28	3.04	2.80	3.23
Molders, green sand (iron or brass)	18	3.04	2.80	2.56	2.32	3.01
Molders, loam	1	3.52	3.28	3.04	2.80	3.52
Oakum spinners,	3	2.56	2.32	2.00	1.76	2.56
Ordnance men,	14	3.04	2.80	2.56	2.32	2.65
Packers,	12	2.56	2.32	2.24	2.00	2.21
Painters,	30	2.80	2.56	2.32	2.00	2.76
Pattern makers,	17	3.52	3.28	3.04	2.80	3.48
Pavers,	16	4.00	3.52	3.28	3.04	4.00
Pilers, scrap	1	2.32	2.00	1.76	1.52	2.00
Pipe fitters,	10	3.52	3.28	3.04	2.80	3.18
Plumbers (house),	3	3.76	3.52	3.04	2.80	3.76
Plumbers (ship),	10	3.52	3.28	3.04	2.80	3.35
Pressmen,	1	3.04	2.80	2.56	2.32	3.04
Punchers and shearers,	6	2.56	2.32	2.00	1.76	2.48
Reamers,	2	2.56	2.32	2.00	1.76	2.56
Riggers,	22	3.04	2.80	2.56	2.32	2.90
Riveters,	39	2.80	2.56	2.32	2.00	2.70
Rollers, iron	4	4.56	3.76	3.28	3.04	3.72
Ropemakers, all-round	12	3.04	2.80	2.56	2.32	2.63
Sailmakers,	27	3.04	2.80	2.56	2.32	2.96
Saw filers,	1	2.56	2.32	2.00	1.76	2.56
Sawyers,	3	2.80	2.56	2.32	2.00	2.80
Ship fitters,	51	3.28	3.04	2.80	2.56	3.00
Shipsmiths,	3	3.28	3.04	2.80	2.56	3.28
Shipwrights,	65	3.28	3.04	2.80	2.56	3.16
Slaters,	1	3.28	3.04	2.80	2.56	3.28
Sparmakers,	3	3.04	2.80	2.56	2.32	3.04
Stonecutters,	4	3.28	3.04	2.80	2.56	3.28
Timners,	18	3.28	3.04	2.80	2.56	3.24
Toolmakers,	4	3.04	2.80	2.56	2.32	3.04
Tool sharpeners,	1	3.04	2.80	2.56	2.32	3.04
Trackmen,	12	2.24	2.00	1.76	1.52	2.04
Turners,	2	3.04	2.80	2.56	2.32	3.04
Upholsterers,	2	3.04	2.80	2.56	2.32	3.04
Varnishers and polishers,	1	2.80	2.56	2.32	2.00	2.80
Wharf builders,	4	2.56	2.32	2.24	2.00	2.56
Wiremen,	21	3.04	2.80	2.56	2.32	2.81
Wire workers,	3	2.80	2.56	2.32	2.00	2.80

In the following table are shown the unclassified occupations under the two schedules, the number employed, and pay a day :

OCCUPATIONS.	Number Em- ployed	Pay per Day	OCCUPATIONS.	Number Em- ployed	Pay per Day
Blockmakers (leading men),*	1	\$3.28	Mechanics, electrical (leading men),	1	\$3.76
Boatbuilders (leading men),*	1	3.28	Molders (leading men),*	1	3.76
Calkers (leading men),*	1	3.52	Pattern makers (leading men),*	1	3.76
Helpers, joiners (ship),	9	2.00	Plumbers (leading men),*	1	4.00
Joiners, ship (leading men),*	2	3.52	Riveters (leading men),	1	3.04
Laborers (leading men),	7	2.16	Ship fitters (leading men),	4	3.52
Laborers (quartermen),	1	2.72	Shipwrights (leading men),	3	3.52
Machinists (leading men),*	1	3.28	Sparmakers,	1	3.28

* Under Schedule B; all others are under Schedule A.

Quartermen employed under Schedule B receive 80 cents a day over the rate provided for men of the first class of the trade involved, but this does not apply to quartermen in charge. Leading men under this schedule receive 24 cents a day over the rate given to men of the first class. All apprentices up to 17 years of age receive 20 per cent of first-class pay :

up to 18 years, 30 per cent : up to 19 years, 40 per cent ; up to 20 years, 50 per cent : and up to 21 years, 60 per cent.

In regard to the schedules, the navy regulations provide that no person other than workmen of the trades specified in the approved schedules shall be employed in any navy yard, except under a written appointment by the Secretary of the Navy. Nor shall any person borne in these schedules be employed otherwise than in the line of his trade, unless after transfer with Department's approval to Schedule D.

Article 1675 of the United States Navy Regulations of 1893 relating to wages of navy yard workmen follows :

1. The rate of wages of employes shall conform to the standard of private establishments in the immediate vicinity of the respective yards, to be determined by the commandant, subject to the approval and revision of the Navy Department.

2. The commandant of each yard shall appoint a number of officers who shall make diligent inquiry at the principal private mechanical establishments in the vicinity of the yard as to the rate of daily wages paid to the workmen of different classes in each trade included in the trade schedule of the yard, and shall report quarterly to the commandant the result of such inquiries, and recommend rates for the payment of workmen of corresponding classes and trades at the yard. The commandant shall then forward to each bureau, in duplicate; a quarterly schedule of wages under that bureau as approved by himself, and when approved by the bureau and the Navy Department the schedule shall remain in force during the ensuing quarter.

3. When the board submits to the commandant the proposed quarterly schedule of wages, it shall also make a separate report stating in full all changes from the schedule approved for the previous quarter which involved an increase or reduction in the wages of any class or trade, with the reasons therefor, and the report will be forwarded by the commandant with his recommendations to the bureau concerned.

4. When new trades are added to the trade schedule of the yard on recommendation of the commandant, with the Department's approval, as provided in Art. 1663, the commandant shall immediately cause the board on wages to ascertain the proper rate of wages therefor in the usual manner. Their report shall be transmitted for approval, and the rates thus fixed shall be included in the next quarterly schedule of wages.

5. The quarterly schedule of wages shall not include the civil establishment, provided for by statute or special employments (Schedule D) authorized by departmental order, the pay of which is fixed by the statute or order creating them, but shall be confined exclusively to the approved trade schedule of the yard with approved additions to date.

Article 1679 of said regulations provides that all mechanics and laborers shall be paid twice a month upon dates not more than 10 days after the expiration of each month or half month.

The following provisions are taken from Volume I, United States Compiled Statutes of 1901, and relate to the working conditions, vacations, holidays, etc., of navy yard employees.

Sec. 1543. Master workmen. The persons employed at the several navy yards to superintend the mechanical departments, and heretofore known as master mechanics, master carpenters, master joiners, master blacksmiths, master boiler-makers, master sail-makers, master plumbers, master painters, master caulkers, master masons, master boat-builders, master spar makers, master block-makers, master laborers, and the superintendents of rope-walks shall be men skilled in their several duties and appointed from civil life, and shall not be appointed from the officers of the Navy. (*Act June 17, 1868, c. 61, § 1, 15 Stat. 69.*)

Sec. 1544. Laborers, how selected. Laborers shall be employed in the several navy yards by the proper officers in charge with reference to skill and efficiency, and without regard to other considerations. (*Act May 23, 1872, c. 195, § 1, 17 Stat. 146.*)

Sec. 1545. Salaries; per diem compensation. Salaries shall not be paid to any employes in any of the navy-yards, except those who are designated in the establishments. All other persons shall receive a per diem compensation for the time during which they may be actually employed. (*Act July 14, 1862, c. 161, § 1, 12 Stat. 564.*)

Sec. 1546. Requiring contributions for political purposes at navy yards. No officer or employé of the Government shall require or request any working man in any navy yard to contribute or pay any money for political purposes, nor shall any working man be removed or discharged for political opinion; and any officer or employé of the Government who shall offend against the provisions of this section shall be dismissed from the service of the United States. (*Act March 2, 1867, c. 172, § 3, 14 Stat. 492.*)

Force at navy yard not to be increased before election. . . . And no increase of the force at any navy yard shall be made at any time within sixty days next before any election to take place for President of the United States, or members of Congress, except when the Secretary of the Navy shall certify that the needs of the public service make such increase necessary at that time which certificate shall be immediately published when made. . . . (*Act June 30, 1876, c. 159, § 1, 19 Stat. 69.*) This is a provision of the naval appropriation act for the year ending June 30, 1877, cited above.

Leaves of absence to employés of navy yards, etc. That each and every employé of the navy yards, gun factories, naval stations, and arsenals of the United States Government be, and is hereby, granted fifteen working days' leave of absence each year without forfeiture of pay during such leave: Provided, That it shall be lawful to allow pro rata leave only to those serving twelve consecutive months or more: And provided further, That in all cases the heads of divisions shall have discretion as to the time when the leave can best be allowed without detriment to the service, and that absence on account of sickness shall be deducted from the leave hereby granted. (*Act February 1, 1901, c. 190, § 31 Stat. 746.*)

Holidays. All per diem employés of the Government on duty at Washington, including employés of the navy yard, are allowed as holidays the first day of January, the twenty-second day of February, the fourth day of July, the twenty-fifth day of December, and such days as may be designated by the President as days for national thanksgiving, by Res. Jan. 6, 1885, No. 5; and Memorial or Decoration Day is also made a holiday for all per diem employés of the government by Res. Feb. 23, 1887, No. 6, post, following Rev. St. § 1790.

Half-holidays have been granted employees at the Washington Navy Yard under the following order of the Navy Department of June 13, 1904; action was based on a statute applicable to the District of Columbia only.

The President having under consideration the question of having a half-holiday during the summer months for the employés of the Yard under your command, the Superintendent of the Naval Gun Factory has recommended, if such a holiday be granted, that it be done in the following manner:

"Such employés as are present on Saturdays during the months of July, August and September, whose services can be spared, will be excused for the last half of the day, and those whose services cannot be spared, and who are required to work the full eight hours, will be allowed the one-half day on such other Saturdays, when in the discretion of the Superintendent of the Naval Gun Factory, or heads of their respective departments, their services can be spared."

You are therefore directed to grant such half-holiday in the manner above set forth.

LABOR LEGISLATION IN MASSACHUSETTS FOR 1904.

The current labor laws of Massachusetts are printed in full each year in that Part of the Annual Report of the Bureau entitled Labor and Industrial Chronology.

The following summary shows the labor laws passed during the 1904 session of the Massachusetts Legislature:

Chap. 232. Authorizes the Boston Protective Department to pension its employees.

Chap. 311. Relates to the employment of mechanics and laborers in the construction of public works.

Chap. 313. Relates to the powers of the Board of Conciliation and Arbitration in time of strike or lockout.

Chap. 314. Regulates removals and suspensions from office and employment in the classified civil service.

Chap. 315. Relates to hours of labor of members of fire departments in cities and towns.

Chap. 327. Provides for the pensioning of permanent members of police and fire departments in towns.

Chap. 334. Relates to time for voting allowed employees of certain establishments.

Chap. 335. Provides for registration of the insignia of societies, associations, and labor unions, and to prohibit unauthorized use of same.

Chap. 343. Prohibits the corrupt influencing of agents, employees, or servants

Chap. 347. Provides for protection of operatives in factories from injury by flying shuttles.

Chap. 349. Provides for protection of persons furnishing materials or labor for public works.

Chap. 373. Relates to liens for labor and material furnished in the construction of street railways.

Chap. 397. Extends the provisions of the 58-hour law for women and minors so as to include the month of December.

Chap. 430. Provides for appointment of two additional members of District Police to serve as inspectors of factories and public buildings.

Chap. 432. Relates to age and schooling certificates of minors.

Chap. 460. Relates to the observance of the Lord's Day.

Chaps. 67, 68, and 69 (Resolves). Appropriate money to the trustees of Lowell Textile School, New Bedford Textile School, and the Bradford Durfee Textile School of Fall River.

Chap. 99 (Resolve). Provides for an investigation as to sanitary and other conditions affecting the health or safety of employees in factories and other establishments, to be conducted by the State Board of Health, Chief of the District Police, and the Bureau of Statistics of Labor.

INDUSTRIAL AGREEMENTS.

The presentation of joint trade agreements was begun in Labor Bulletin No. 28, November, 1903, and will be continued.

Boston.

BOOT AND SHOE WORKERS.

Thomas G. Plant Company and Employees.

In order to prevent, as far as possible, the happening of misunderstandings between employer and employees in the business of the Thomas G. Plant Company, and to arrange for a fair settlement of questions that may from time to time arise, it is mutually agreed between the Thomas G. Plant Company and each of its employees as follows:

1. It is the right of every employee to bring his grievances to his employer at the proper time and in a proper manner, and to fully state his reasons for them. The fact that he does so shall not be in any manner prejudicial to him.

2. Any grievance affecting three or more employees of the Thomas G. Plant Company, and not satisfactorily adjusted with the head foreman of the department in which they work, shall, upon request of any three of the employees affected, be brought before the superintendent.

3. In case they are not able to settle the matter after an honest endeavor to do so, it shall be referred to the manager or officer of the Company.

4. In case the Company and its employees are unable thus to effect an amicable settlement, both parties to the differences shall sign an application to the State Board of Conciliation and Arbitration to make a decision, and this decision shall be accepted as final and binding on both parties to this agreement.

5. When an agreement is about to be presented, or pending settlement of any grievance, we and each of us agree that there will be no strike or lock-out, and the employees will continue to fill their positions as if said grievance did not exist.

6. Should three or more employees cease work with the evident intention of enforcing any demand, then said employees shall not be considered employees of the Thomas G. Plant Company, and will not be again employed by said Company.

7. Subject to the provisions of Section 5, the Company reserves the right to hire and discharge any one at any time.

STABLEMEN.

Employers' and Stablemen's Protective Union No. 10063.

1. The employer agrees to hire only members in good standing of said Stablemen's Union for positions, and one member in each stable shall be allowed to act as representative of the Union without discrimination.

2. The minimum rate of wages a week for stablemen shall be as follows:

Carriage washers,	. . . .	\$15
Harness cleaners,	. . . .	14
Horse clippers,	. . . .	14
Floor men,	. . . .	14
Hostlers,	. . . .	12

3. No hostler shall take care of more than 10 private boarding horses or 12 hack and wagon horses.

All watching over time shall be paid for at the rate of time and a half; hours of labor shall be 12 hours a day, one hour for dinner. Each man shall have every other Sunday, in morning or afternoon off, in turn. If he be asked to work on Sunday off, he shall receive one dollar for same.

4. No horse shall be clipped on Sunday.

5. It is hereby mutually agreed that the Stablemen's Union will not cause or sanction any strike, and that the employer will not lock out any member of said Stablemen's Union while this agreement is in force. All questions of wages or conditions of labor which cannot be mutually agreed upon shall be submitted to the State Board of Arbitration, and the decision of said Board shall be final and binding upon said Stablemen's Union 1903 and the employer.

6. This agreement shall remain in force until March 1, 1905. Should either party wish to alter or annul this agreement, he shall give a written notice thereof, to the other party, two months before expiration of this agreement, and if the parties fail to give such notice, this agreement shall continue in force until such notice is given.

Milford.

GRANITE CUTTERS.

Employers and Milford Branch of Granite Cutters National Union.

The wages for granite cutters shall be 40 cents an hour minimum.

Eight hours shall constitute a day's work for the first five days of the week, and five hours on Saturday, from April 1 to October 1; from October 1 to April 1, eight hours a day six days in the week.

Blacksmiths shall be paid the same as cutters.

Where a power grind-stone is provided 13 cutters shall constitute a sharpener's gang. Where a power grind-stone is not provided, 11 cutters shall constitute a gang. A drill sharpener's gang shall not consist of more than 16 men.

All work done outside of the regular working hours shall be counted as overtime and paid for once and one-half. Double time shall be paid for Sundays and the following holidays: Decoration Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas. There shall be no overtime work except in cases where it is absolutely necessary to finish a stone or two that may be wanted immediately, or in case a stone has been delayed in quarrying or has been spoiled in cutting or handling.

No surface cutting machines shall be worked in the cutting shed during working hours.

Hours of labor shall be from 7 A.M. to 4 P.M. with one hour nooning, from April 1 to November 1; and from November 1 to April 1, the hours shall be from 7.30 A.M. to 4 P.M., with one-half hour nooning.

Wages shall be paid weekly, and not more than one week's wages shall be retained. Workmen shall be paid during working hours. All workmen discharged shall be paid at once in money. Any workman leaving a yard shall be paid in full or given a due bill payable in full the next pay day.

Suitable sheds shall be provided for cutters for shelter from sun and rain, to be heated in cold weather.

There shall be an agreement drawn up between employers and apprentices to have them serve three years with one firm, and that no improvers shall be allowed.

All workmen on granite cutting machines shall be members of the Granite Cutters National Union.

One surface cutting machine shall count as four men on a sharpener. Three surface machines shall count as one gang. One pneumatic plug drill shall count as two men.

Any dispute arising between employers and employees shall be submitted to a committee representing both parties, said committee to be known as the grievance committee.

The above bill of prices and regulations shall take effect April 1, 1904 and continue to April 1, 1907; after that date, should either party desire, a change may be made provided notice shall have been given three months previous to April 1, and this bill shall continue in force from year to year until notice is so given in any year.

Springfield.

BOTTLERS AND DRIVERS.

Employers and Bottlers and Drivers Union No. 143.

1. The proprietors of bottling establishments of Springfield and vicinity herewith agree to employ only union help in the bottling departments, and also agree to employ only such men as can show a membership card of a union affiliated with the International Union of the United Brewery Workmen of America.

2. No foreman shall be allowed to perform the work of any employee in the bottling department.

3. Nine consecutive hours shall constitute a day's work (including one hour for meals) during the months of October, November, December, January, February, and March. The rest of the year 19 consecutive hours including one hour for meals shall constitute a day's work.

4. The employer shall have the right to engage help as provided in Section 1; the same right is reserved by the employer to discharge help, but the man so discharged is entitled to and must receive a fair and impartial hearing before a committee representing both the employer and the employee.

5. Each employee shall have the right to live and board where he chooses. No help shall be hired upon the recommendation of a saloon-keeper or customer.

6. Each employee shall receive beer free of charge four times a day.

7. On Sundays drivers shall work one hour free. In case more work is necessary the men shall be paid at the rate of double time.

8. In case of slack business, as many men as necessary may be laid off, not longer than one week at a time, all men taking their turn. No employee shall be allowed to work overtime as long as men in the same department are laid off.

9. Extra help hired between April 1 and September 1 shall not be considered as regular employees, and shall be entitled to temporary work only, but they shall be given preference in rotation whenever a vacancy occurs, providing they have been perfectly satisfactory as temporary employees.

10. Services done by employees in the interest and for the benefit of the union shall not be taken as causes for discharges or discrimination, but the employer must be notified 24 hours before, when and how long the employee will be absent.

11. Overtime shall be paid for at the rate of 30 cents an hour.

12. Employers have no right to keep back any part of wages.

13. No help shall be hired under 18 years of age.

14. Former higher wages shall not be reduced.

15. Wages: Payable weekly, for a full week's work:

First workman,	\$15
Drivers,	14
Rackers,	13
Packers,	13
Machine operators,	12
Rest of workmen,	10

16. Sickness shall be no cause for discharge; after recovery the employee shall receive his former position.

17. Each employee shall be promoted in rotation, provided there is a vacancy and the respective employee is capable of filling the position.

This agreement shall be in force until April 1, 1907, and continue indefinitely unless notice of a desire to change is given by either party three months before April 1 in any year, and specifications of proposed changes must be submitted at least 60 days prior to April 1.

CURRENT COMMENT ON LABOR QUESTIONS.

[The Bureau does not necessarily indorse any of the views or opinions printed under this heading, its object being rather to present diverse views on labor questions, leaving the reader to draw his individual conclusions from the testimony or information supplied. The comments, as a rule, are presented in a condensed form: the titles of books, magazines, and newspapers, from which extracts are made, follow the articles, the date of publication, when known, being also given.]

The Eight-hour Workday.

There is a side to this shorter workday question that is not considered in any discussion of it that I have seen. That is the domestic side. The growth of cities, the increase in rentals throughout the more accessible parts of cities have driven the workman farther and farther from the factory where he works. Even though he finds living rooms near his work, in a few months he is out of work there and finds another job only in a plant miles away. He cannot move from Bronx to Battery, from Stock Yards to Goose Island every year or two. With the uncertainty of street-car transportation in any city that I know, the man who is an hour's ride from his work must leave his home an hour and a half before working hours to be even fairly sure of being at his post on time. If he must leave his house for work at 5 A.M. the wife must be up by 4 to get him his breakfast. If leaving the factory at 6 P.M. it is 7.30 when he gets home, she cannot have supper (the workmen still call it supper) before 8 or 8.30 o'clock, and she cannot "get her work done up" much before 10. A weary, endless day of toil for the wives of the working poor is what we see in every city. Perhaps ten hours is not, in some cases, too long for a man to work, but add an hour required to get to his work in the morning, and an hour for him to get home at night, then an hour before that for his wife to get his breakfast, and an hour after that for her to get through with her supper work, and you've got a day too long for any wife to work. Better look a little bit after the "working conditions" of poor men's wives if you really want to make better citizens out of her sons. Give her a chance; she can do it better than you can. Make her patriotic; she will attend to the boy. She has the mother instinct backed by the mother's love for her allies, and these beat the "patriotism in the public schools" with text-books and flag-day adjuncts, worse than the bookmakers beat the bettors at the races.

To listen to the sentiments of some of the wives of workmen, mothers of boys, in the poorer districts of Chicago and New York, is to be convinced that no outside agency can make a lover of his flag out of that woman's son. She hates every hour she

is awake. She hates the government, the church, the union, the non-union, the police, the teacher, every waking hour she lives to hate, and nearly all of her hours she is awake, and right there is the trouble. What she needs is sleep. Since she is such a hater while awake, let her sleep. There is a whole lot of good citizenship for boys in the shorter day for men in city factories and the consequent longer nights for women.—*Ethelbert Stewart in the Commons.*

The time is not so far off when eight hours will be the working-day throughout the United States for wage workers. The reform was inevitable upon the general introduction of labor-displacing machinery. Philosophers are discussing the effect of the curtailment of production by the cutting off of a fifth to a quarter of the workday, but we think the effect will be wholesome. Men are not obliged in morals or interest to give up their whole lives to physical toil. The richest countries are not those where labor is the incessant lot of man.

But the disposition of the leisure afforded by the shortened workday is a serious question. If the workmen utilize it for their useful improvement it will add more to their useful capital than all the strikes ever inaugurated or all the wage schedules forced out of the changing conditions of the day. The opportunity is at hand for a union of mind and muscle. The laborer is rating upward. As he develops there will be less and less a tax upon his physical energy, but more and more a demand upon his intellectual faculties. If he thinks that the hours saved from his labor are to be used as the loafer and lounge use their leisure the shorter day will be a curse, not a blessing. So broad is the field and so inviting the prospect in the wide range of opportunity that there is no time for idle hours. The "gentleman of leisure" is a fraud and incubus and has no proper place in the economy of nature.

The shorter workday will be valuable only as it serves to afford opportunity for the achievement of a better and broader knowledge of life, a higher appreciation of the responsibilities of living and the cultivation of a more useful intelligence. Out

of such opportunity a race of men should arise superior in citizenship, superior in the dignity of their ideals—men who will need to fear no competition, but who will rather invite it. Let us hope that the shorter workday will be, as it ought to be, the beginning of a mighty intellectual popular development. — *Sacramento (Cal.) News.*

The Telegraph urged the enactment of an eight-hour law, and such a law would have been passed if it had not been killed by the democratic Senate after passing the republican House. Just before the close of the session the state Senate passed a resolution withdrawing its conference committee on the eight-hour bill and making no request for further conference. This left the House powerless to act further on the bill, and, there being no further business, it adjourned.

The Legislature failed in its duty, but what did this have to do with the strike of the millmen and the miners, or with the bloodshed which accompanied these strikes? Absolutely nothing, either directly or indirectly. Mr. Baker's statement to the contrary is manifestly due to ignorance of the facts. The clause in the democratic state platform to the contrary is put in with a full knowledge of its falsity and for political purposes only.

What are the facts? The eight-hour day had been in effect in nearly all the metaliferous mines in the state for years. The first strike which led up to the miners' strike was ordered by President Moyer at the Standard mill, Colorado City, on February 14, 1903. This was nearly 50 days before the eight-hour law was killed in the state Senate. Surely it is not reasonable to think that Mr. Moyer ordered the strike because he thought the Assembly might fail in its duty at some future time!

But the more important fact is that the millmen did not even mention "eight hours" in their first demand, for the good and sufficient reason that the eight-hour day had been in effect in the Standard mill for five years. They asked for more wages and recognition of the union, which their employers refused to grant. Three days after this first strike occurred Mr. Moyer said in public that he might call out the Cripple Creek miners working in mines shipping to this mill. What did the eight-hour question have to do with this? The eight-hour day had been in effect in Cripple Creek for 10 years. On March 18, 19 days before the eight-hour law was killed, Mr. Moyer carried out his threat and the union miners at the mines shipping ore to the Standard mill quit work. This was done for the declared purpose of forcing the mill to accede to the union's demands or close down. — *Colorado Springs Telegraph.*

The interests of all classes, including those of labor, cannot avoid being injured by attempts upon the part of either government or civil organizations looking to the arbitrary regulation of industry. Therefore, eight-hour, anti-injunction and national arbitration bills are to be utterly condemned as being dangerous innovations in government and certain to affect disastrously the national welfare.

There could be no freedom if only a certain portion of the people had the right to contract for the sale of their labor or services. The employer should not be influenced by any other consideration in the hiring of men than the ability, fitness and loyalty of the applicant. It is only by following a policy of this kind that merit can receive its just reward and the highest measure of success secured in industry.

Therefore it is the plain duty of the employer to resist to the uttermost the closed shop demand of organized labor.

Since it is his moral duty not to discriminate between union and independent labor, it is his duty through organization to demonstrate to the general public that he should not be forced into becoming an involuntary party to such discrimination. I do not believe that the general public will support organized labor in its efforts to compel the employer to become its business agent, for such he would become if he be forced to refuse employment to men because they do not belong to the union.

The leaders of organized labor will be relieved of a great deal of the burden of maintaining the membership of their organization if the employers could be compelled to keep up this membership for them. Therefore, in not resisting the efforts of the labor agitators to make them their tools in the work of fastening the shackles of the despotism upon labor, the employers are gravely lacking in the duty they owe to labor in general. The employer has a legal right to employ only union men if he chooses, and the members of a union have the legal right to refuse to work with independent labor. But I maintain that neither the employer nor the members of the union have any moral right in either case to discriminate against men who do not care to belong to certain organizations.

If the union persists, however, in discriminating against the independent laborer by refusing to work with him, their legal right to discriminate ends with their refusal to work. No union has the legal right to prevent the independent laborer from working, and neither has it the legal right to compel the employer not to hire the independent workman. The employer is not to be expected to employ other men, who are also seeking to invade his rights in other respects. The unions must understand that, while men have the right to organize any associations they see fit, there is this qualification that the acts and purposes of such associations shall not be contrary to law and the spirit of American freedom, and they must understand that those who join associations which seek to discriminate against other men may expect in time to find themselves discriminated against. — *From address of D. M. Parry at the Citizens' Industrial Association of America at Indianapolis, Ind.*

A careful and unprejudiced examination of the interesting and important information elicited before the House Labor Committee in New York will convince any fair-thinking and intelligent mind that the proposed Eight-Hour Bill is not only immoral and wrong to Labor, but also to capital, and that it is equally impolitic and unconstitutional.

Every man has an absolute right to conduct his own business in accordance with the dictates of his own best business judgment, just as every man has an absolute right to work, who has nothing but his hands and dexterity to live by, whether he belongs to a union or not and without molestation or intimidation; and the irrefragable and authoritative statement of these rights as affecting the employers and the employees is one of the most serious, political, economic and social matters with which this country has been confronted during its entire history. The questions of slavery and secession were to a great extent merely local and could therefore have been dealt with or extirpated without uprooting the very foundations of social life; but the consideration of the question now before us is eating

like a canker, from East to West, and from North to South, into the very vitals of our constitutional system, abrogating and paralyzing the fundamental rights of the citizen. Many things are capable of being changed in many directions, as, for example, our dress, our language, our religion, and our system of government; as a matter of fact most of these things are changed from time to time; but "there are certain things which we cannot change, and one of these is the fundamental relation of the employer and the employee."

Fighting and working may be said to typify the two great collective activities of man; but in each of these it is absolutely essential that a few men of exceptional experience and capacity should and must assume the command and the responsibility. In the case of a fighting organization, such as an army, irrespective of all changes which may be necessary from time to time, it must be commanded and directed by its officers from the lowest official rank to the highest; moreover there must be complete discipline, and every command must be carried out with alacrity or the destruction of the whole army would be imminent and inevitable. On the other hand, in the industrial world there must be those leading men to give the orders, to assume responsibility, to know what is to be bought and when to buy, to know what is to be done, and how it is to be done, and when and how it is to be sold; and thus it comes about that there can never be a time when there are not a few persons, relatively, who have control of the implements and machinery of production, and who must have large armies of working men under them. This fact must be universally recognized and conceded, and all attempts, of whatever kind, to ignore this fundamental and permanent fact must be not only pernicious, but unwarrantable and illusory.

This proposed Eight-Hour Bill urges the Congress of the United States to "inflict heavy penalties on any employer who falls within its provisions for permitting a man to work more than eight hours a day." The work may be hard or easy, the man may be strong or weak, unable to afford to go without work, may have a family dependent upon him or may not; and we are told that labor demands such a tyrannical law to be passed, a law involving the denial to an individual workman of the opportunity or privilege of working!

This bill means far more than the maintenance of an eight-hour day on all government work by contractors and sub-contractors, for its inevitable result would be to force on all concerns taking government contracts an eight-hour day for their entire plants, and consequently would force every contracting plant to pick out a special force and put it on an eight-hour basis. There could be no shifting of men from one job to another and the whole organization of most plants would be deranged, so that new equipment would, in most cases, have to be provided and the government work would necessarily become concentrated in the hands of a few concerns, or every shop would have to organize on an eight-hour system. It would, moreover, mean an increase of 25 per cent in the price of government contract work, and thus entail an increase of almost 25 per cent in the cost of all work not done by the government itself.

Few persons want the Eight-Hour Bill at such a price, and only a moiety of the 15 or 20 per cent of the population belonging to the labor unions want it. A few leaders are insisting upon the passage of the measure, and on their behalf, and for their

benefit, the country is asked to increase its expenses anywhere from 10 to 15 per cent.

The bill, if passed, would really be more detrimental to the employee than the employer, and it would tax the whole people for the benefit of a special class, would increase government expenses, and constitute a dangerous interference with the industry of the country. Why should American industry be hampered and the opportunities for employment be reduced by making it impossible for those taking government contracts to compete with others in the same line in this country or abroad?

Furthermore, the proposed bill is unworkable and unconstitutional, and it stands as the completest recent example of bad statute-making. It is unintelligible, for, if it applies only to a few, its advocates are welcome to try to excuse this discrimination and this wrong. If it applies to many, the confusion and the loss, and the arbitrary and inexcusable wrong, apply to many, perhaps several thousand. In any case the discrimination against the free and ambitious American working man, who wants to work in his own time and in his own way, is absolutely great and all embracing. It may be possible to fool him for a certain length of time, but not for always. Indeed he has learned enough about this ruinous and absurd proposition to know that even if it were effective in the case of perhaps several thousand government contractors and sub-contractors, to drive them to an eight-hour basis for their merchant work as well as for their government work, the result would be disastrous to him. He is perceiving now, as he did before the labor agitator got hold of him, that his best friend is his employer "who is so good a friend to him that he will not pay wages that the business will not stand; that he will not shorten the hours against the requirements of the business and the men; that he will not, in a word, do anything except for the advantage of the enterprise and hence to the advantage of the man so far as his lights instruct him as to the wisdom of such a course."

It is, we think, self-evident that concerning the constitutionality and expediency of regulating the hours of labor uniformly to all sorts of conditions and laborers, this proposed Eight-Hour Bill is nothing but a delusion and a snare, pernicious in its proposals, utterly impolitic and unconstitutional in its conception and in every way unworthy of the intelligent and honest minded working-men of this free and enlightened Republic.—*Boston Journal of Commerce*.

It is flippant libel upon the laboring class which for more than half a century has been constantly repeated but never sustained, viz.: That the reduction of the hours of labor tend to lower wages, raise prices, increase idleness, dissipation, and drunkenness.

The elimination of poverty, ignorance, pauperism, intemperance, crime and their accompanying evils moves parallel with and proportionate to the increase of the social opportunities of the laboring class.

Employers of labor in the United States or of any other country, who have the eight-hour system of labor, all bear testimony to the general good resulting from the change. If the results were different, if business did not easily and readily adjust itself to the change of an eight hour workday, is it not strange that there is no body of employers (and the writer does not know of a single case) which has ever given the system a fair trial, say of one year, which would ever return to the old régime of a nine-hour or a longer workday?

Those who have carefully observed the changes which have come to the working-man from a reduction in the daily working hours, have marked most gratifyingly the fact that they have become most temperate in the liquor as well as other habits.

Who can look on the vast army of unemployed workless workers, without feeling and recognizing that a great wrong is being perpetrated upon them. Certainly, there may be some now who would not work were it offered them, but observers will note that these are rare exceptions, and even they have become careless or reckless by easy stages on the downward grade, demoralization caused by perdition and then permanent enforced idleness by reason of inability to secure employment.

Beyond doubt the saddest sight is to see a man, with wife and children looking to him as the breadwinner, without work, without food, without hope. That unemployed men are demoralized men is soon learned by those who frequently have an opportunity to come in contact with them; that their courage soon gives way to despair, losing self-respect, early forfeiting the respect of others—go down and further down until society, in its might, has its hand raised against them. Society regards them as its enemy; the feeling becomes mutual.

The demand for a reduction of the hours of labor is not an abnormal dream of a few fanatics, but is one of the natural and inevitable tendencies of a progressive civilization. Although there is no international organization there is an international movement in this direction.

Even in Germany the demand for eight hours has been voiced by a strike of nearly one hundred thousand laborers which showed such clearness of purpose and directness of action that the emperor, leading capitalists and statesmen have formally recognized it as a legitimate question demanding immediate consideration.

In England they have already reached nine hours, and are now asking for the next step toward eight. The same movement is taking form in France and Belgium.

Hence, not to take up the question in this country is to fail to keep pace with the countries of the old world in matters of industrial reform. There is no fact in society more certain than that the country whose laborers are compelled to work the greatest number of hours to earn a living, and hence have the least time for social, moral, intellectual and political development, can not permanently keep at the head of civilization. — *Labor World, Pittsburg, Pa.*

RECENT LEGAL LABOR DECISIONS.

The right to strike and the right to work. About May 7, 1903, business agents of International Brotherhood of Electrical Workers, Local 376; International Association of Mechanics District Lodge; Brass Workers Union No. 127; and Brass Molders, Local 83 called upon the Kellogg Switchboard & Supply Company and presented certain draft of agreements, and insisted upon their being signed by the company's officers, informing them that unless they were so signed the unions would call a strike.

The conditions of said proposed articles of agreements were considered so arbitrary and unreasonable that the company refused to cause the same to be signed, whereupon notice was given to the employees to strike. Since May 7, 1903, the strike has continued.

This was the beginning of a stubbornly contested controversy between the local unions and the company, which resulted in the issuing of a temporary and a permanent injunction, the arrest and fining of a number of persons for assault and battery, intimidation, picketing, etc.

The Superior Court of Cook County rendered a decision in regard to assaults and picketing, and it was from the decision of this court that an appeal was taken to the Appellate Court of the first district of Illinois. The appellants were:

Jacob Christensen, sued as George Christensen.
C. E. Doty.
Charles Heinig, sued as Charles Heine.
Andrew Emerson.
Fred Wagner.
A. Mashek.
John O'Brien.
Thomas Queenan.
Lee S. Fisher.
John Brent.
Charles Evans.

The strike and its consequences have been matters of newspaper comment since the inauguration of the strike and need no reference here. The following is the decision rendered by Hon. Francis Adams, Presiding Judge of the Appellate Court, rendered on May 12, 1904. The decision was concurred in by Justices Windes and Ball.

The lengthy statement preceding this opinion has been made for the reason that other appeals from the judgments mentioned in the statement are pending here, and so that this opinion may, in part at least, apply to such other appeals. The appellants are defendants to the bill, and all the appellants, except Fisher and John Brent, admit knowledge of the injunction, and the last mentioned two do not deny such knowledge, nor do their counsel, although such knowledge is averred in the petitions to which they are respondents; and they having been prominent in the strike and its prosecution, as admitted by their counsel, and the greatest possible publicity of the injunction being shown by the evidence, it is next to impossible that they were ignorant of it.

Counsel object that the bill is insufficient on which to base an injunction. Christensen v. Kellogg Switchboard & Supply Co., 110 Ill. App., 61, was an appeal from the order granting the injunction, and appears to have been thoroughly considered. The court in that case considered the sufficiency of the bill to warrant an injunction, and held it sufficient and the injunction valid. All questions decided in that case, and also all questions which might have been decided, if properly presented, are *res adjudicata* as to all parties to the bill. As to appellants not parties to the bill, we perceive no good reason for dissenting from the opinion that the bill is sufficient and the injunction valid. On the contrary, we concur in the decision.

It is also contended that the informations on which the several contempt proceedings were based are and each of them is insufficient, in not more particularly alleging facts, and counsel urge that these objections go to the jurisdiction of the court. The court had jurisdiction of the persons of the defendants to the bill, and of the subject matter of the bill, and had power to issue an injunction, and, in proceedings for contempt, in violating the injunction, no defense can be made on the ground of irregularity, or that there was error in the proceedings. (*Dickey v. Reed*, 78 Ill., 261, 279; *Leopold v. The People*, 140 Ill., 552, 557; *People v. Weigley*, 155 Ill., 491, 501; *Clark v. Burke*, 163 Ill., 334, 337.) In *Dickey v. Reed* the court say: "Where the court has power over the subject matter, and authority to take such jurisdiction, and the court acts, its process must be obeyed," etc. In *Leopold v. The People* the court say: "If the court has jurisdiction of the parties and legal authority to enter the order, then a party cannot stand in defiance of it, however improvidently or erroneously made." In *Clark v. Burke*, the court say: "It is well settled that in a proceeding for contempt, in failing to obey an order of the court, the respondent may question the order which he is charged with refusing to obey only in so far as he can show it to be absolutely void, and cannot be heard to say that it is merely erroneous, however flagrantly it may appear to be so." (See, also, *Clay v. The People*, 94 Ill. App., 598, 600, and *ex parte Richards*, 117 Fed. R., p. 668.)

In the present case we think the petitions amply sufficient. That it is not necessary that one shall be a party to the bill, or officially served with the writ in order for him to be bound by the injunction, but only that he shall have actual notice of it; see *High on Injunctions*, 3rd ed., sec. 17, and *ex parte Richards*, 117 Fed. R., 658, 662, and cases cited. It is contended that the contempts are criminal, and, therefore, appellants should have been discharged on their answers. The relief sought is a permanent injunction, and preliminary thereto a temporary one of the same character as the permanent one prayed. Manifestly the preliminary injunction is for the benefit of the complainant and, therefore, its enforcement is for its benefit.

As counsel for appellants say, in their argument in *Hopkins v. The People*, general number 12275, which is error to reverse two of the judgments in question, "An injunction without contempt proceedings would be of no value," which is true on the hypothesis that the persons enjoined should seek to violate the injunction. The injunction and its enforcement being for the complainant's benefit, the proceedings must be regarded as civil. We regard the case of *Loven v. The People*, 158 Ill., 150, as conclusive of the question. In that case *Loven*, a former employee of the complainant in the bill, had learned, while in complainant's employ, about certain medicines known by certain names, which the complainant had the exclusive right to manufacture and sell under those names, and was fraudulently selling medicines under the names of complainant's medicines, and practically stealing the complainant's business. A permanent injunction was granted enjoining *Loven* in the premises. Subsequently contempt proceedings were instituted against *Loven*, and the court adjudged him guilty and that he be committed to jail for ten days. It was urged, on appeal, that *Loven* should be discharged on his answer, but the court held the contrary, saying: "There is a well recognized distinc-

tion between the practice in contempts, properly so-called, when the proceeding is to vindicate the majesty of the law, or the dignity of the court, and cases involving acts treated as contempts, for the enforcements of orders and decrees," etc. (See, also, *Barclay v. Barclay*, 184 Ill., 471, 475, and cases cited; *Rapalje on Contempt*, Sec. 21; *People v. Court of O. & T.*, 101 N. Y., 240; *Thompson v. Penn. R.R. Co.*, 48 N. J. Eq., 105; and *Clark v. Burke*, 163 Ill., 334.)

Appellants' counsel object to the overruling by the court of motions for bills of particulars, and to a hearing on affidavits, instead of calling witnesses and examining them in open court. It was clearly a matter within the discretion of the court as to whether or not a bill of particulars should be ordered. This is true even in indictments for conspiracy. (1 *Bishop on Crim. Procedure*, Sec. 643.) We are also of opinion that bills of particulars were unnecessary to enable appellants to prepare their defense, as the affidavits setting forth the facts are made a part of the informations, respectively. It is not the practice to furnish bills of particulars in contempt cases. In *Loven v. The People*, *supra*, the information charging contempt was heard on affidavits, and whether such information shall be so heard is a matter within the court's discretion.

It is admitted in the answers of appellants *Christensen*, *Doty*, *Heinig*, *Emerson*, *Wagner* and *Mashek* to the petition filed June 3, 1903, and the supplemental petition filed June 5, 1903, in substance, that they were picketing complainant's place of business and interfering with its employees and with persons seeking employment with it, notifying them of the strike and persuading the former to leave its employ and the latter not to enter it, and that each of them occupied a position near to said place of business for the purpose of so doing. The evidence is that a number of other persons were engaged as the above named appellants were, after the issuing of the injunction and prior to June 3, 1903. It is shown by affidavits that a number of complainant's employees were stopped by pickets on their way to complainant's factory, that one of said employees, when on his way to work, was stopped by *Christensen*, who took hold of and would not let him go, and told him that if he continued to work he would have to pay a \$50 fine to the union, and, on another occasion, told him that if he continued to work it would not be healthy for him; that a person who had accepted work at complainant's factory was, on leaving the factory, accosted by four pickets, who asked him what he intended doing at *Kellogg's*, and if he didn't know there was a strike there, and, upon his stating that he was going to work the next morning, they said to him, "We will see that you don't go to work to-morrow morning." One of complainant's employees on his way home from work was stopped by two of its former employees, who were strikers, and had been picketing and patrolling, and was asked if he was working at *Kellogg's*, and, when he answered affirmatively, they said, "Why don't you go out on a strike with the rest of us? We'll give you till Friday to get out of there," and when he said he was satisfied with his wages, they said, "We're going to win this strike, and when we get back there, we'll make things hot for you scabs. You won't be able to work there." Another employee was stopped by four pickets, one of whom said to him, "Are you working over at *Kellogg's*? If you are you had better look out." Another, on

being stopped by pickets and told there was a strike at Kellogg's, said he didn't care, when one of them said to him, "You don't care, well, suppose we make you care?" Another employee, on his way home from work, was accosted, stopped and remonstrated with for working for complainant by a person whose name was unknown to him, but whom he saw the next day on a street corner near complainant's place of business, in company with pickets, and when the employee declined to talk further, the unknown person knocked him down and kicked him twice. Another employee was stopped by pickets, one of whom, on being informed that he was working for complainant, said to him: "Don't you dare to come to work to-morrow. If you do we'll blow your brains out," and another of the pickets said to him, "There'll be trouble if you keep on working there." Other similar incidents occurred.

Appellants O'Brien and Queenan, in their answers to the petition filed June 22, 1903, admit picketing and persuading complainant's employees to quit its employment, and those seeking employment with it to desist therefrom, and claim they had legal right so to do, and that they acted under the advice contained in the letter of Clarence S. Darrow copied in the preceding statement of the case. June 12, 1903, the date of the Darrow letter, the court passed on the question of the guilt of the respondents to the petition and supplemental petition filed June 3rd and 5th, 1903, and distinctly stated that picketing of the character shown by the evidence was unlawful, and would not be permitted. Mr. Darrow, in his letter, instructed that the pickets should not exceed ten in number, apparently implying, as we think, that pickets in excess of that number could not act with impunity.

The affidavits in support of the petition of June 22nd do not purport to state all the pickets on duty between June 5th, when the supplemental petition was filed, and June 22nd, when the second petition was filed, but do name twenty men and eleven women acting as pickets between those dates. The affidavits show that, between the dates mentioned, O'Brien picketed and patrolled in the immediate neighborhood of complainant's place of business on the 5th, 9th, 10th, 11th, 12th, 13th, 16th, 17th and 18th days of June, 1903, and that Queenan did likewise for seven days, commencing June 4th and ending June 15th, 1903. It appears also from the affidavits in support of the petition of June 22nd that the same system of picketing, patrolling, and interfering with employees of the complainant and those seeking employment with it, was continued, and that the conditions were worse after than before June 22nd. The following is shown by affidavits:

On the evening of June 18, 1903, Mamie Whalen, an employee of complainant, when returning home from work, in company with five other girls, also in complainant's employ, passed on Congress street, half way between Aberdeen street and Center avenue, twelve or fifteen men and boys, one of whom ran up to John Radcliffe, watchman of complainant, who accompanied the girls for the purpose of protecting them, and asked Radcliffe if he was protecting the girls, and on being told he was, struck him, knocked him down and brutally kicked him, and another of the men was about to strike him with a club, when one of the girls grabbed him by the arm and prevented him. Also, that the girls returned to the factory with Radcliffe, and when about four blocks from there, one McDonough and another person were walking in front of them, when appellant

Emerson and another person, both of whom had been in the employ of the complainant and had been picketing and patrolling round its place of business, ran up and struck and knocked down McDonough, and some teamsters who were driving along jumped from their wagons and commenced kicking him. On McDonough inquiring why they were hitting him, Emerson said, "You are protecting those girls," when the girls said, "No, he isn't, we have nothing to do with him," and they then permitted him to get up, when he exhibited his card, showing that he was employed at the public library. Emerson then began to apologize and told McDonough he was mistaken, when McDonough declined to accept any apology, and Emerson again knocked him down. Emerson was one of those fined \$10 on the first petition. On June 19, 1903, Ed Behlendorf, employee of complainant, on returning home from his work, in company with Griswold, another employee, was met by some person unknown to the affiants, who struck Behlendorf in the face and knocked him down senseless, and then signalled three other men, who ran over while he was lying on the ground, one of whom struck Griswold, who then ran away to call the police.

Thomas Queenan is the business agent of the Electrical Workers' Union. At the east door of the factory he spoke to one Hall and tried to persuade him to quit working for complainant, and said to him, "Do you not know they have got to come to terms with us?" and Hall answered, "No, I do not know that," when appellant Queenan said, "Well, you should know."

An employee of complainant was stopped by appellant John O'Brien as the former was going to his lunch at the noon hour, when O'Brien said to him, "You boys ought to stay out and join the union. You want to try and get the other fellows out and join the union also," when the employee said he was satisfied with his work and did not want to quit. O'Brien responded "If you do not come out by night, I will lick you."

It is practically impossible, without extending this opinion beyond all reasonable bounds, to refer to all of the affidavits in support of the petition of June 22nd. They are very numerous and it clearly appears from them that a large number of the former employees of complainant picketed and patrolled in the immediate neighborhood of complainant's factory, and in the approaches thereto, and endeavored, sometimes by warnings, sometimes by threats, and in a number of times, by actual assault and beatings and the use of opprobrious epithets, to deter complainant's employees from remaining in its employ, and to prevent others seeking employment with it from entering its employ, by means of which constant fear of bodily injury was engendered in the minds of such persons.

The appellants deny that they personally used force, threats or intimidation of any sort, and say that they were very peaceable and mildly persuasive. But (the very presence of a large number of pickets, with the avowed purpose of preventing complainant's employees from remaining in its employ, and those seeking employment with it to desist therefrom, was itself intimidation) in *Farmer's Loan & Trust Co. v. N. Pac. R.R. Co.*, 60 Fed. R., 803, 820, Mr. Justice Jenkins quotes the following remarks of Mr. Justice Brewer on the subject: "The common rule as to strikes is this: Not merely do the employees quit the employment, and thus handicap the employer in the use of his property, and perhaps in the discharge of duties which he owes to the

public, but they also forcibly prevent others from taking their places. It is useless to say that they only advise; no man is misled. When a thousand laborers gather around a railroad track and say to those who seek employment that they had better not; and when that advice is supplemented every little while by a terrible assault on one who disregards it, every one knows that something more than advice is intended. It is coercion, force; it is the effort of the many, by the mere weight of numbers, to compel the one to do their bidding."

In *Union Pac. Ry. Co. v. Ruel*, 120 Fed. R., 102, the court say, *ib.* 107: "The mere fact that the shops are picketed can only be intended for intimidation. The fact that a line of pickets is immediately in front of the shops, or a few blocks away, is a difference in degree only." The court then quotes with approval the following from *American Steel & Wire Co. v. Wire Drawers and Die Makers Unions*, 90 Fed. R., 608, 614: "The whole fallacy of the defense against this bill and the proof offered to sustain it lies in a convenient misapprehension or a necessary misunderstanding of the character of that force or violence which all agree is not permitted in the conduct of a strike. It seems to be the idea of the defendants that it consists entirely of physical battery and assaults, and that if these appear in the proof, and they can be justified as they might be on a criminal indictment or in a police court, that ends the objection, and the justified assaults and batteries will not support an injunction. The truth is that the most potential and unlawful force or violence may exist without lifting a finger against any man, or uttering a word of threat against him. The very plan of campaign adopted here was the most substantial exhibition of force, by always keeping near the mill large bodies of men, massed and controlled by the leaders, so as to be used for obstruction if required. A willing wire worker, but a timid man, would be deterred by the mere knowledge of that fact from going to the mill when he desired to go, or had agreed to go, or, being already at work, feared to return through the streets where the men were congregated, or, having started, would turn back, fearing the trouble that might come of the attempt. Such a force would be violence, within the prohibition of the law; and its exhibition should be enjoined, as violating the property rights of the plaintiffs in the streets, their liberty of contracting for substituted labor, and the liberty of the substitutes to work if they wished to accept the lowered wages, and to pass through the streets to their work."

See, also, the following cases: *Eparte Richards*, 117 Fed. R., p. 666-7, and cases cited; *O'Neil v. Behanna*, 182 Penn. St., 236, 243, in which the court say: "The strikers and their counsel seem to think that the former could do anything to attain their ends, short of actual physical violence. This is a most serious misconception. The 'arguments' and 'persuasion' and 'appeals' of a hostile and demonstrative mob have a potency over men of ordinary nerve which far exceeds the limits of lawfulness. The display of force though none is actually used is intimidation, and as much unlawful as violence itself."

The affidavits in support of the petition filed July 14, 1903, show that on divers days between June 22nd, when the second petition was filed, and July 14, 1903, appellants Fisher, Christensen, Evans, Mashek, and Brent picketed and patrolled around and about complainant's place of business, watching the streets, alleys, and approaches thereto,

daily shifting their positions; that they so stationed themselves that all complainant's employees were obliged to pass through their picket line, and that their attitude was ugly and menacing, and such as to cause fear in the mind of an ordinary person, and that John O'Brien picketed and patrolled in a similar way June 19th and 20th, 1903. The conditions between the dates last mentioned were worse than before. Complainant's employees and persons seeking employment with it were waylaid on their way to and from the factory, insulted, threatened and, in numerous instances, assaulted and beaten by the strikers, pickets, and patrollers, and complainant's business was seriously and injuriously interrupted. June 30, 1903, when a number of men and girls, employees of complainant, were being escorted from the factory to their homes, they were met by a number of men and boys and a very serious riot occurred. The employees were hissed and called scabs; bricks and stones were thrown at those escorting them, and some shooting occurred. Four of the girls deposed that appellant John O'Brien passed them on that occasion, and called them scabs and other names in a threatening way. Finally, there occurred what is called a sympathetic strike, by the Teamsters Union, which it is reasonable to infer occurred by the request of officers of unions whose members had quit complainant's employ and were "prosecuting" the strike. Before this sympathetic strike, complainant's teaming and hauling had been done by the Arrow Transfer Company, and that company could not, by reason of the sympathetic strike, fulfill its teaming contract with complainant, because the teamsters in its employ would not be permitted to haul for complainant. The result was that June 24, 1903, all teaming and hauling of merchandise to and from complainant's factory was stopped.

O'Brien, in his answer, says he was fined July 2, 1903, which was under the rule to show cause entered on the petition filed June 22, 1903. He says that, since July 2, 1903, he has not, in any way, participated in the strike. The court, on the petition filed June 22nd, could only investigate his conduct prior to that date, and in his answer he gives no account of himself in the interval between June 22nd and July 2nd, except denying participation in the riot of June 30th.

The purpose of the strike by complainant's employees, and their prosecution of it as described, was to compel the complainant to execute the agreements referred to and made a part of the bill. The drafts of agreements, three in number, purport to be with the different unions, whose numbers were in complainant's employ. The draft of agreement with the Metal Polishers, Buffers, Platers, Brass Moulders and Brass Workers International Union of N. A., International Union of Steam Engineers, and International Brotherhood of Stationary Firemen, contains the following:

"Article I. The party of the first part hereby agrees to employ none but members of the aforesaid organizations or those who carry the regular working card of the said organizations, provided the various crafts will furnish such competent help as may be required by the party of the first part within twenty-four hours after notification.

Article VII. There shall be a steward for each craft in each factory appointed by the organization, whose duty it shall be to see that the men working in said factory belong to the organizations.

Art. VIII. It is hereby agreed by the party of the first part that the business agent of the party

of the second part shall have the privilege of interviewing any member of the party of the second part in the offices of the party of the first part during business hours.

Art. X. A sympathetic strike to protect union principles shall not be considered a violation of this agreement.

Art. XI. All the apprentices shall belong to the union and carry the working card of the organization.

Art. XII. The number of apprentices not to exceed one for ten men or less of the different crafts."

That the purpose of the strike was to compel the execution of the drafts of agreement is clear. It is averred in the sworn bill and deposed to in the affidavits of De Wolf, complainant's president, Kellogg, its secretary and treasurer, and Edwards, its superintendent, that business agents of the different unions called on complainant, and insisted on its executing the agreements, and that, when complainant's president refused, on the ground that the proposed agreements were unreasonable, it was threatened by one of said business agents that, unless complainant would sign the agreements, a strike would be called, and that said business agents called a strike, in response to which about 500 of complainant's employees quit its employ. Appellants' counsel admit in their brief, "the purpose of the strike is to bring about the execution of the contracts," and at least three of appellants so admit in their answers. It is unlawful to compel one to execute any contract. A contract executed under duress is voidable, and duress is present where a party "is constrained, under circumstances which deprive him of the exercise of free will, to agree to or to perform the act sought to be avoided." (10 Am. & Eng. Ency., 2nd ed., p. 321.) "Duress *per minus* exists when a person is induced to perform an act to avoid a threatened and impending calamity." (Ib. 324.) Especially was the purpose to compel complainant to execute the agreements in question an unlawful purpose. Article 1 strikes at the right of contract, and provides that complainant shall employ none but members of the several unions, thus discriminating in favor of one class of men and excluding all others. In *Matthews v. The People*, 202 Ill., 389, the court, discussing the constitutionality of the Free Employment Agency Act, say, p. 401: "An employer whose workmen have left him and gone upon a strike, particularly when they have done so without any justifiable cause, is entitled to contract with other laborers or workmen to fill the places of those who have left him. Any workman seeking work has a right to make a contract with such an employer to work for him in the place of any one of the men who have left him to go out upon a strike. Therefore, the prohibition contained in section 8 strikes at the right of contract, both on the part of the laborer and of the employer. It is now well settled that the privilege of contracting is both a liberty and a property right. Liberty includes the right to make and enforce contracts; because the right to make and enforce contracts is included in the right to acquire property: Labor is property. To deprive the laborer and employer of this right to contract with one another is to violate section 2 of article 2 of the constitution of Illinois, which provides that 'no person shall be deprived of life, liberty or property without due process of law.' It is equally a violation of the fifth and fourteenth amendments of the constitution of the United States, which provide that no person shall be deprived of life, liberty or

property without due process of law, and that no State shall deprive any person of life, liberty, or property without due process of law, 'nor deny to any person within its jurisdiction the equal protection of the laws.' (*Ritchie v. People*, 155 Ill., 98; *Adams v. Brennan*, 177, id., 191; *Gillespie v. People*, 188 id., 176; *Fiske v. People*, id., 206.) The provision embodied in section 8 'is a discrimination between different classes of citizens founded on no justifiable ground, and an attempt to exercise legislative power in behalf of certain classes and against other classes, whether laborers seeking work or employers. It falls under the condemnation of the constitution.'"

In *Am. Steel & Wire Co. v. Wire Drawers, etc., Unions*, 90 Fed. Rep., 608, 613, the court say: "In this country the right to contract in business is a constitutional freedom, which not even state legislatures can impair, and, certainly, not strike organizations; for, surely, they cannot lawfully do what the legislature may not."

The agreements in question would, if executed, tend to create a monopoly in favor of the members of the different unions, to the exclusion of workmen not members of such unions, and are, in this respect, unlawful. Contracts tending to create a monopoly are void. (*Morris Run Coal Co. v. Barclay Coal Co.*, 68 Penn. St., 173, pp. 186-188; *Arnot, Jr. v. Preston, etc., Coal Co.*, 68 N. Y., 558; *Central C. Salt Co. v. Guthrie*, 35 O. St., 666.) The legislature of the State cannot create a monopoly. (*People ex rel. v. Chicago Gas Co.*, 130 Ill., 268, 296-7.)

The purpose of the strikers is in violation of the criminal code, which provides as follows:

"Sec. 158. If any two or more persons shall combine for the purpose of depriving the owner or possessor of property of its lawful use and management, or of preventing, by threats, suggestions of danger, or any unlawful means, any person from being employed by or obtaining employment from any such owner or possessor of property, on such terms as the parties concerned may agree upon, such persons so offending shall be fined not exceeding \$500, or confined in the county jail not exceeding six months."

"Sec. 159. If any person shall, by threat, intimidation or unlawful interference, seek to prevent any other person from working or from obtaining work at any lawful business, on any terms that he may see fit, such person so offending shall be fined not exceeding \$200." 1 *Star & Curtis*, pages 1213, 1314.

Not only was the purpose of the strike unlawful, but the means used to achieve the unlawful purpose were unlawful. The means used were the acts heretofore mentioned, and thereby injury to the complainant's business. The appellants and their associates intended to stop the business of the complainant so far as they possibly could, and the evidence shows that they did stop it in great part, to complainant's injury. The following is contained in the brief of appellants' counsel which we quote as illustrative of their view of the cause. "How do picketing, patrolling, persuading, or even slugging, affect property rights, except in the most fantastic sense? Injury to business has no independent existence whatever, because business has no tangible existence to be injured, in the true and unperverted sense."

In *Union Pac. Ry. Co. v. Ruef*, 120 Fed. R. 102, 113, cited by counsel for appellants, the court say: "And that one's business is his or its property

is likewise elementary, and is conceded by all. And that liberty means the right to do as he pleases, when he interferes with the rights of no other person, and the right to make contracts with all persons upon all subjects-matter, save and excepting with reference to immoral or unlawful matters, is also conceded by all who know anything of the propositions." See, also, *Doremus v. Hennessey*, 176 Ill., 608, 615, in which the court say: "Every man has a right, under the law, as between himself and others, to full freedom in disposing of his own labor and capital according to his own will, and any one who invades that right, without lawful cause or justification, commits a legal wrong;" also, *Am. Steel & Wire Co. v. Wire Drawers etc. Unions*, cited *supra*; and *Barr v. Essex Trades Council*, 53 N. J. Eq., 101, and *Thomas v. Conn. etc. Ry. Co.*, 803, 817. In the New Jersey case, p. 112, the court say, "A man's business is his property." The court further say, p. 113-114: "The freedom of business action lies at the foundation of all commercial and industrial enterprises—men are willing to embark capital, time and experience therein, because they can confidently assume that they will be able to control their affairs according to their own ideas, when the same are not in conflict with law. If this privilege is denied them, if the courts cannot protect them from interference by those who are not interested with them, if the management of business is to be taken from the owner and assumed by, it may be, irresponsible strangers, then we will have come to the time when capital will seek other than industrial channels for investments, when enterprise and development will be crippled, when interstate railroads, canals, and means of transportation will become dependent on the paternalism of the national government, and the factory and the workshop subject to the uncertain chances of co-operative systems." The case is instructive as to the law in relation to a combination to injure one's business. Other authorities might be cited, but we know of no well considered case, or indeed of any case, holding that a combination of persons to injure the business of another is not unlawful. That the appellants, and others associated with them, acted in concert, in unlawfully endeavoring to injure, and in fact injuring complainant's business, for an unlawful purpose, is fully sustained by the evidence. They conspired, breathed together, to effect the unlawful purpose, and by overt acts did all they possibly could to that end. It is not necessary to prove an express agreement between the appellants and those associated with them. It may be proved by circumstantial evidence. *Spies et al. v. The People*, 122 Ill., 1, 213; *Patnode v. Westenhaver*, 114 Wis., 460.

In *United States v. Weber*, 114 Fed. R., 950, 953, the court say: "But if the object of the union is illegal, or if the methods employed by it, either to induce acquisitions to its ranks, or to accomplish its ulterior purposes, are illegal, it appears to be well settled that the persons who combine in such efforts are conspirators," citing cases. The language quoted is cited with approval in *ex parte Richards*, 117 Fed. R., 658, 668.

In *Doremus v. Hennessey*, 176 Ill., 608, 614, the court say: "No persons, individually or by combination, have the right to, directly or indirectly, interfere with or disturb another in his lawful business or occupation, or to threaten to do so, for the sake of compelling him to do some act which, in his judgment, his own interest does not require."

Each conspirator is responsible for the acts and declarations of every other conspirator in furtherance of the common purpose. In *Hamilton v. Smith*, 39 Mich., 222, 231, cited with approval in *Lasher v. Little*, 202 Ill., 551, the court say: "Wherever two or more conspire together to commit an actionable wrong, everything said, done or written by any one of them, in the execution or furtherance of their common purpose, is deemed to be said, done or written by every one, and is a relevant fact as to each." This proposition is so thoroughly established that it may be regarded as elementary. (*Cooley on Torts*, 2nd ed., page 145; *Spies v. The People*, 122 Ill., p. 226; *Patnode v. Westenhaver*, 114 Wis., 460, 474.)

In reference to the conduct of appellants, their counsel, in their printed argument, admit: "The appellants in this court were prominent in the calling and in the prosecution of the said strike, and after they and their co-employees had left the service of the Kellogg Switchboard & Supply Company they went into the streets at different distances from the place of business of the Kellogg Switchboard & Supply Company and took positions where they could meet any one who happened to be on his way for the purpose of taking employment with the Kellogg Switchboard & Supply Company. These men have been denominated pickets by the prosecution. It matters not what word is used to designate the office that they were performing in the prosecution of the strike, any more than some words have a tendency to affect the public imagination more than others. But while these men were standing in the streets, — 300, 400, or 500 feet from the place of business of the Kellogg Switchboard & Supply Company, they were unquestionably endeavoring to induce all persons having in mind the taking of service with the complainant, not to do so. They were distributing printed cards which were offered in evidence as Exhibit A, and is in the words and figures as follows: 'Machinists who may be seeking employment at the Kellogg Company, know that the former employees have ceased work; therefore, by accepting a position, you are taking a fellow workman's place.'"

The cards actually distributed were as follows: "Machinists who may be seeking employment at the Kellogg Switchboard & Supply Co. To know that the men formerly employed there have ceased work, to secure union conditions to govern their employment. Therefore, by accepting a position in their plant, at the present time, you are taking a fellow workman's position and their position has been endorsed by the International Association of Machinists. Be guided accordingly."

The conspiracy originated simultaneously with the calling of the strike, and continued till the filing of the last petition, July 14, 1903. It was a single conspiracy, and the court on the hearing of each of the second and third petitions did not err in hearing the prior evidence. The evidence was competent as tracing and showing the character of the conspiracy. *State v. McCahill*, 72 Ia., 111, 115.

It is an indispensable condition of the enjoyment by each citizen of the liberty and rights guaranteed by the constitution and laws, that he shall respect and not unlawfully infringe upon the liberty or rights of any other citizen. This cannot be done with impunity.

In *Mashek v. The People*, Gen. No. 11416, Mashek was sentenced to be committed to the county jail for sixty days, while Christensen was sentenced to be so committed for only thirty days. We cannot

find in the evidence any reason for this discrimination. Mashek is not shown to have been more guilty than Christensen. On the contrary, we think if there was any difference in the guilt of the two, Mashek was the less guilty. The judgment, therefore, in *Mashek v. The People*, Gen. No. 1116, will be reversed and judgment will be entered here that Mashek be committed to the county jail, there to remain for thirty days (30) days, unless sooner legally discharged. In each of the other above entitled appeals, the judgment will be affirmed.

Illegality of Contract between Employer and Union. In the case of *Podolski et al. v. Nathan Newman*, trustee of United Garment Workers Union No. 1 of Boston, decided by Judge Hardy in the Superior Court of Massachusetts on June 28, 1904, it appeared that plaintiff was engaged in the manufacturing of clothing in Boston; that in the early part of October, 1903, he was ordered by defendant, trustee of U. G. W. No. 1, to sign a contract* agreeing to employ only union help, pay union prices, to work men only the number of hours stipulated by union, etc.; plaintiff refused; workmen refused to work for several days; on October 15, plaintiff was notified that unless he signed agreement he would be prevented from having any workmen and that he would not be allowed to carry on his business; plaintiff fearing

that trouble would be made for him signed agreement; on October 16, plaintiff was compelled to execute a chattel mortgage dated January 20, 1904; mortgage on its face purports to be in consideration of \$500 paid by Newman which Podolski claimed was not paid. Up to May 27 plaintiff claimed his business was interfered with, his help was ordered not to take bundles from non-union teamsters, and that he was not allowed to employ his own sons unless they joined the union and paid fee of \$25; because of this, he sold out his business whereupon Newman began proceedings to foreclose mortgage. Podolski asked for injunction to restrain Newman in his proceedings. The judge held: "Agreement under its terms, as I consider them, is not supported by any legal consideration and is null and void because of such terms, and illegal and contrary to good conscience and public policy. I find that the terms of the chattel mortgage were agreed upon at the time of the execution of the alleged agreement, but it was not executed until January 20, 1904. No consideration was given by the party defendant to support the same excepting the said agreement which it was given to secure. Such mortgage was without consideration and was void because of the illegality of the agreement it was given to secure, and because it does not conform to the terms of the fourth clause of said agreement in its conditions of forfeiture." Decree for plaintiff.

EXCERPTS

Relating to Labor, Industrial, Sociological, and General Matters of Public Interest.

Child Labor in Louisiana.

Your Commissioner specially finds from contact with the laboring classes of Louisiana that the enactment of a Child Labor Law is imperative. The present Statutory laws, regulating the employment of children, are manifestly inadequate, as was demonstrated by the vigorous, yet futile, attempts at their enforcement by the representative in this State of the American Federation of Labor. The subject has, therefore, received most thoughtful consideration and an adequate measure, it is believed, is now being drafted for enactment into law.—*Report of Bureau of Statistics of Labor, Louisiana, 1902-1903.*

Hours of Railroad Employees in Massachusetts.

Pursuant to request the Board has made an investigation as to the hours of labor of employees upon the different railroads operated within the State. A public hearing was given, which was thoroughly advertised, but representatives of railroad companies only were in attendance. In further prosecution of the inquiry, the Board has asked information alike from employers and from the various classes of employees, individually and through representatives of their organizations, and questions have been freely answered and views freely given.

The conditions under which labor is employed in railroad transportation vary widely from those which affect the ordinary employment of labor, making it far more difficult, if not impracticable, to establish any methodical separation between hours of business and other hours, or to make arbitrary rules which shall govern in all cases. The peculiar character and changing demands of the service made necessary to fulfil obligations to the public prevent continuity and regularity in work.

While what is known as a day's work is recognized in different departments, it is not as a limiting rule which prohibits labor beyond the hours named. It often has little to do with actual continuous labor, the hours of which vary widely, according to the particular service which the employee renders. It serves rather as a convenient basis for fixing compensation according to a method which is the outgrowth of dealings between employer and employee. Men habitually work overtime in the ordinary meaning of that word, and the granting of the opportunity to do so is deemed by many employees a distribution of favors. A day's work, therefore, has a significance in this employment entirely different from the usual meaning of the phrase in trade or manufacturing establishments. A single example may be useful in part illustration.

A train crew regularly leaves Boston very early in the morning, say for a run of one hundred or two hundred miles, returning early in the afternoon

* For full agreement, see page 89, Bulletin No. 30, March, 1904.

and arriving at Boston again in the evening of the same day. During the interval of several hours between arrival at and departure from the terminus of the outward run, the men, though on duty, are not actually at work. In the longer of these runs the round trips count as two days' work, and compensation is fixed upon this basis by agreement between the company and the men. The following day the men are off duty. In the shorter runs a day off duty follows at a later time.

Labor in nearly all departments of railroad work is thoroughly organized, and represented by men who are active in the advocacy of measures which are deemed to be for the best interests of the members of the several associations. The absence of demand for legislation by these organizations is significant. Taking the statements which have been made as a whole, by representatives and by individual employees, as we have talked with them, we are satisfied that the men generally prefer to be left to deal with these questions of hours and compensation in their own way, and without interference by legislation.

No company can rightfully require from employees such long-continued hours of labor as to render them incapable of properly performing tasks which affect the safety of the public. A man cannot be vigorous and alert and watchful without proper hours of rest. An instance in point was a case which recently arose upon a street railway, in dealing with which the Board took the ground that the employee in question was kept on duty for too many hours consecutively, under circumstances involving too great exposure to make it possible for him to properly perform his duty as watchman. The company was required to provide the necessary relief.

We are convinced that a large majority of railroad employees do not desire legislation to fix hours of labor upon railroads. Any attempt at this time to regulate hours of labor by statute under present conditions would be productive of more evil than good.—*Railroad Commissioners Report, 1904.*

Strikes at Roubaix, France.

The strike decided upon months ago by the textile operatives of France for April 1, the date of application of the final period of the Millerand-Collier law, reducing the hours of labor from 12 to 10, has already begun in Roubaix. The demand of the operatives is for a minimum wage of three francs (57 cents) a day to all classes of operatives and the abolition of bounties and fines. At present 28 mills of the 45 in Roubaix are affected by the movement; 5,000 operatives have left the mills either voluntarily or compelled by force of circumstances. On March 22 there was a debate in the Senate upon the application of the 10-hour law, and the important question was agitated as to the advisability of increasing the tariff as compensation to manufacturers for loss sustained by reason of increased cost of production entailed by reduction in labor hours. No decision was reached, but Mr. Méline warned the Senate that there would be a clamor from manufacturing centers for increased duties, as those in force at present have become insufficient.—*W. P. Atwell, Consul, Roubaix, France, Mar. 29, 1904.*

Change in British Shoe-factory Pay.

An important agreement is announced in connection with the Leicester boot and shoe industry which

is likely to influence other centers of the same trade. For a long time past allegations have been made that, with the connivance of the union, the men have restricted the output of the machines in the finishing department and thus increased the manufacturers' difficulties, while the men have replied that they are ready to do all for which they are paid. A piecework statement was called for, and this has now been drawn up at a conference of representatives of employers and employees. It is said that the new schedule will insure good wages to the men and a satisfactory return to the employers. A correspondent of a Nottingham newspaper, in referring to this subject, makes the significant comment that "at last there seems a prospect of British workmen competing with American workmen in the shoe trade after being beaten twenty years, because British workmen work as little as possible and will not let machines do more than half of what they do in American hands. Now, after losing hundreds of thousands of pounds by this mad limitation of output, the shoe-trade union is at last considering a list of wages to be paid not by the day, but according to work done.—*Frank W. Mahin, Consul, Nottingham, England, May 9, 1904.*

Employment Agencies in France.

The French Government has promulgated the new law concerning employment agencies, the important articles of which follow:

1. After the promulgation of the present law, paying employment agencies may be suppressed.
2. Free employment agencies created by municipalities, syndicates of workmen or employers or both, labor exchanges, farmers' exchanges, mutual-aid societies, and all other legally constituted associations are subjected to no authorization.

3. Employment agencies, such as are enumerated in the preceding article, with the exception of those created by municipalities, are required to deposit a declaration at the mayor's office of the commune where they are established. The declaration shall be renewed with every transfer of location of the agency.

4. In every commune, a register setting forth the offers and demands for work and for situations shall be opened at the mayor's office and placed at the disposition of the public gratuitously. In connection with this register, there shall be prepared classified lists of the individual notices which may be added freely to the demands for work. The communes having more than 10,000 inhabitants shall create municipal agencies.

6. Every director or employee of a free employment agency who shall have collected a payment of any character, on the occasion of procuring a situation for a laborer or employee, shall be punished in the manner set forth in article 9.

12. All dispositions contrary to the present law are abrogated. Employment agencies for nurses are not covered by the present law and remain subject to the dispositions of the law of December 23, 1874, in regard to the protection of nurses. Theatrical agencies, operative agencies, and agencies for circuses and music halls are not subjected to the prescriptions of the present law.—*Robert P. Skinner, Consul-General, Marseilles, France, May 3, 1904.*

* STATISTICAL ABSTRACTS.

Business Failures in the United States.

In 1903, there were 9,775 business failures in the United States, the assets being \$84,141,545 and the liabilities, \$154,369,501. The causes of the failures are classified under 11 headings in the following table, with percentages:

CAUSES OF FAILURES.	FAILURES FOR SPECIFIED CAUSES IN 1903	
	Number	Percentages
Incompetence,	2,002	21
Inexperience,	627	6
Lack of capital,	3,179	33
Unwise credits,	332	3
Failures of others,	278	3
Extravagance,	88	1
Neglect,	275	3
Competition,	249	2
Specific conditions,	1,638	17
Speculation,	94	1
Fraud,	1,013	10
TOTAL,	9,775	100

It will be seen that lack of capital, or what is equivalent thereto, the effort to do too large a volume of business for the capital employed, was the cause assigned for 33 per cent, nearly one-third of all failures. Incompetence was the next largest factor, accounting for 21 per cent of the year's failures. These two causes, due to faults of those failing, accounted for 54 per cent of all suspensions. Specific conditions, including happenings such as financial stress, crop failures, fires, etc., caused 17 per cent of failures. — *Bradstreet's*, Jan. 30, 1904.

Alien Arrivals at the Port of New York.

Aliens to the number of 143,935 landed at the port of New York during the fourth quarter of 1903, of which number 122,517 were steerage passengers or immigrants. The Italians headed the list with 41,956, or 29.2 per cent of the total; the Hebrews were second with 17,165, or 11.9 per cent; the Germans third with 16,288, or 11.3 per cent; the Poles fourth with 11,078, or 7.7 per cent. Of the total number of alien arrivals, 15.3 per cent were under 14 years of age; 79.1 per cent between 14 and 45 years of age; and 5.6 per cent 45 years and over. The illiterates constituted 19.7 per cent of the aliens of 14 years of age and over. Considering the nationalities in regard to illiteracy, 48.6 per cent were Italians, 12 per cent Poles, and 11.6 per cent Hebrews. Forty per cent of the alien arrivals were destined to points in New York State, and 19.4 per cent to points in Pennsylvania. — *Bulletin, Department of Labor, State of New York, March, 1904.*

Free Employment Bureau in New York.

The New York State Free Employment Bureau received 6,274 applications for work and 4,717 applications for help during the year 1903. There were 4,456 situations secured, covering 49 trades and avocations. Of the people securing positions 3,594 were

women and 862 men. The number of men employed through the Bureau showed an increase of 589 over the previous year. Seventy-one per cent of the applicants secured situations, an increase of nine per cent over 1902. Among the applicants for positions 3,258 were men and 3,016 were women. Of the women 1,949 were foreigners. There were 782 married men who reported having 916 children, 624 of whom were dependent on them for support; the married women numbered 1,493, having 1,364 children, 751 being dependent. Two men could neither read nor write, while 152 women were illiterate. — *Bulletin, Department of Labor, State of New York, March, 1904.*

Growth of the United States.

"The United States has grown in commercial prosperity since 1896 more rapidly than its people ever dreamed to be possible. They have been, in fact, taken by surprise by this development," says the *Wall Street Journal*. "They were, in large measure, unprepared for it. The growth of the country has been more rapid than the facilities for transacting business, for moving the merchandise and taking care of the immense volume of exchanges. The railroads and other corporations have been obliged to improve their facilities to accommodate themselves to this growth in business, and, at the same time, to make preparations for that further expansion in trade and commerce which must inevitably be in store for this country." Our contemporary presents this table, giving percentages of increase from 1896 to 1903, as illustrative of what has gone before:

Population,	14.4
Wealth (estimated),	30.0
Money in circulation,	57.1
Production of gold,	40.0
Foreign commerce,	37.2
Production pig iron,	108.9
Production wheat,	49.1
Production cotton,	49.8
Railway freight traffic, 1895 to 1902,	76.8
Railway passenger traffic, 1895 to 1902,	25.8
Consumption wines and liquors,	37.2
Value manufacturing products, 1890 to 1900,	74.3
Post office receipts,	63.4
Immigration,	149.8
Savings bank deposits,	53.8
Bank clearings, New York,	142.9
Bank clearings, outside of New York,	91.4
National bank deposits (individual),	90.6
National bank loans,	85.3
National bank cash reserve,	78.3
State bank deposits,	161.0
Trust company deposits,	171.0
Private bank deposits,	125.8
Deposits all banks, etc., except savings,	133.0
Loans of all banks, etc., except savings,	105.0
Cash of all banks, etc., except savings,	73.1

— *Bradstreet's*, April 23, 1904.

The World's Iron Production.

The following table shows the approximate production of pig iron in the world for two years past; the figures being reduced to metric tons, for purposes of comparison:

COUNTRIES.	1902	1903	Increase in 1903 over 1902
United States, .	18,003,448	18,297,400	293,952
Germany, .	8,402,660	10,085,634	1,682,974
Great Britain, .	8,653,976	8,686,701	32,725
Totals, .	35,060,084	37,069,735	2,009,651
All other countries, .	9,497,907	9,625,000	127,093
TOTALS, .	44,557,991	46,694,735	2,136,744

The greater part of the iron estimated for other countries is produced in Europe; Austria, France and Spain made little change in their output last year; Belgium reports a considerable increase; while the Russian production probably decreased. In North America there was a falling off in the Canadian make. The three leading producers turned out 79.5 per cent of the world's supply of pig iron last year, and together show an increase of 5.7 per cent. Nearly all of this gain, however, was due to the great advance in the German output. The United States and Great Britain were nearly stationary. The increase in Germany put that country in the second place, its make of pig iron passing that of Great Britain for the first time. A large part of the increase was taken by the foreign trade, the exports of iron and steel from Germany in all forms having gained largely during 1903; the trade being pushed even into British markets.—*The Engineering and Mining Journal*, New York, Mar. 3, 1904.

Strikes and Lockouts in Denmark.

During 1902 there were 65 strikes and lockouts in Denmark involving 135 employers and 3,785 strikers or persons locked out. Twenty-one disputes lasted less than one week, 17 from one to 13 weeks, 14 over 13 weeks, and for 13 the duration was not reported. The number of days lost aggregated 133,150. Five disputes were settled by arbitration and 21 by conciliation.—*Statistisk Aarbog*, 1903, Denmark.

Working Hours on Prussian Railroads.

A report to the Prussian chamber of deputies shows the following daily working hours of railroad employees: 30,598 were employed up to eight hours; 35,544, from eight to nine hours; 106,868, from nine to 10 hours; 85,745, from 10 to 11 hours; 67,109, from 11 to 12 hours; 13,227, from 12 to 13 hours; 7,144, from 13 to 14 hours; 3,371, from 14 to 15 hours; and 1,767, from 15 to 16 hours. A statement is also made of the days of rest a month for 228,445 railroad employees. Of these 138,402 receive more than two days of rest a month, 72,753 receive two days, 10,412 one and a half days, and 6,871 one day of rest.—*Richard Guenther, Consul-General, Frankfurt, Germany, Jan. 26, 1904.*

Public Schools in Russia.

According to the latest statistics there are 84,544 public schools in the Empire of Russia, out of which number 40,131 are under the jurisdiction of the Ministry of Public Education, 42,588 under the jurisdiction of the Holy Synod, and the remainder

under other departments. Of the pupils, 73,167 were adults, 3,291,694 boys, and 1,203,902 girls. The teachers number 172,000. The maintenance of all these schools cost more than \$25,000,000. The average school tax for city schools is \$9.50 and for village schools \$5 a pupil. Notwithstanding the large number of schools there are 7,250,000 children of school age in Russia who remain without any education.—*Consular Reports, Russia, January, 1904.*

Employment Bureaus in Austria.

There are no free public employment offices established and maintained by the Austrian Government but the State assists in supporting employment offices created and maintained by local governments, associations of tradesmen, or private societies. The following table shows the work of five of these offices in each class in 1902:

OFFICES.	Applications for Work	Applications for Help	Positions Filled
Municipal Offices, .	105,472	73,594	62,743
District offices, .	9,183	6,451	4,339
TOTALS, .	114,655	80,045	67,082

In addition to these offices, the so-called Relief Stations supply shelter and food for the unemployed and assist them to find work. During the last year for which returns were made 793 of these stations, in seven provinces, reported 1,762,894 persons seeking aid and 53,699 situations secured at a total expense of \$244,610.

The results obtained in 1902 by bureaus maintained by benefit societies, public institutions, and trade unions are shown in the following table:

CLASS AND SEX.	Applications for Work	Applications for Help	Positions Filled
Employees, .	344,750	309,144	189,709
Males, .	209,069	126,900	107,118
Females, .	135,681	182,244	82,591
Apprentices, .	25,569	17,326	8,866
Males, .	24,772	15,982	8,230
Females, .	797	1,344	636
Totals, .	370,319	326,470	198,575
Males, .	233,841	142,882	115,348
Females, .	136,478	183,588	83,227

— *Commissioner of Labor Statistics, Austria, Dec. 22, 1903.*

Strikes in Belgium, 1903.

During 1903, there were registered in Belgium 76 strikes involving 8,250 strikers and enforcing idleness upon 2,109 persons, making the total number of idle workmen 10,359. These conflicts affected 78 establishments in which 12,458 persons were employed. Questions of wages caused 45 strikes; trade unionism and difficulties regarding employees, 18; hours of labor and conditions of employment, 6; and shop rules and fines, 7. Eight strikes resulted in success for the workmen, 46 in success for the employers, eight in compromise, and for 14 the result was not given. The industry showing the greatest number of difficulties was textiles, with 22 strikes and 1,378 strikers, the next being metals, with 10 strikes and 555 strikers. Twelve strikes, involving 545 strikers, lasted less than 2 days; 21, with 1,383

strikers, from two to five days; 11, with 1,024 strikers, from six to ten days; for seven the duration varied from 11 to 30 days; seven lasted more than 30 days; and for 18 the time lost could not be determined. — *Revue du Travail, Brussels, Belgium, March, 1904.*

Technical Education in France.

Although trade schools were in existence, in France, in the latter part of the 18th century and increased in influence constantly, it was under the law of December 11, 1880, that the first public institutions of the kind, maintained by the departments and the communes, were established. The results of this law not being satisfactory, new legislation was adopted in 1886 and 1889, and on January 26, 1892, a law was passed by the terms of which practical commercial and industrial schools were placed under the direction of the Ministry of Commerce to be maintained in the same manner as the upper primary schools. Except in cities having more than 150,000 inhabitants, the State pays the director and the teachers in charge of theoretical instruction; the State may also defray one-fourth of the expense of the construction and equipment of the schools.

Children holding certificates from the primary schools are admitted without examination at the age of 12; if they do not hold certificates they may be admitted at 13 years, upon passing satisfactory examination. Instruction is entirely free. The practical commercial and industrial schools numbered 49, in 1903, there being 31 commercial and industrial schools (23 for boys, with 4,121 pupils, and eight for girls with 2,266 pupils); 17 practical industrial schools with 2,251 pupils; and one practical commercial school with 80 pupils; the entire enrolment numbering 8,718.

Training in the industrial schools includes, in addition to theoretical work, more than 30 hours a week of manual training, and courses in elementary mechanics and industrial economies. The courses in commercial schools are equally thorough; 94 per cent of pupils of these technical schools find positions in the local shops and factories or commercial houses.

There are, in addition, four national trade schools established under the law of December 11, 1880, their object being to develop the necessary skill and technical knowledge among youths desiring to become apprentices at various trades, and to offer preparation for examinations for schools of arts and crafts. The original plan has, by force of circumstances, been abandoned and technical education has been sufficiently developed for the pupils of these schools to find employment as journeymen upon completing their courses; for this reason the schools were transferred, in 1900, to the supervision of the Ministry of Commerce. Since this transfer marked improvements have been made resulting in greater prosperity for the schools. In 1903, these four national trade schools had 1,212 pupils enrolled. — *Bulletin de l'Office du Travail, Paris, February, 1904.*

Profit Sharing in Fall River.

The following circular, signed by Geo. A. Chace, Treasurer of the Bourne Mills, Fall River, speaks for itself:

FALL RIVER, MASSACHUSETTS, July, 1904.

To the Employees of the Bourne Mills,

It is with unusual pleasure that I am able to announce that profit sharing will be continued another

six months by a special vote of the board of directors.

I am glad to hand you herewith a dividend of four per cent for all faithful employees, being the thirtieth consecutive semi-annual dividend on wages.

A strike of weavers lasting fourteen weeks has occurred, and many thought that profit sharing would be discontinued on that account.

I have never maintained that profit sharing is a cure for strikes; its utility runs in other directions.

A strike is an act of madness and folly; there is no cure but the return of reason and prudence.

The immediate cause of the strike here March 11, 1904, was the impetuous demand that a faithful employee be summarily discharged, which of course was refused.

Every other cause of dissatisfaction was freely and friendly discussed only an hour before in the conference with a committee of weavers in the presence of their priest who brought them to my office for the purpose; and, again, fourteen weeks later when the committee met me by request of their president and all signed the new agreement; both interviews were conducted and concluded in the most cordial manner.

In every other way except in the loss of nearly \$70,000 to the community in wages, the strike has turned out to be an advantage — we are all wiser than we were on March 11, 1904, and the experience has been good for us.

It may interest you to know that my plan of buying cotton permits us the privilege of pricing it whenever we choose or need to use it, and that the first lot of cotton ordered into process since the strike actually costs us over six cents a pound less than it would have cost if we had had to price it on the market of March 11, 1904.

In order to make this more graphic to you, let me illustrate: the mills of Fall River use normally 100,000 bales of cotton in fourteen weeks, and the decline in the market value of that quantity of cotton is now over \$3,000,000 from its price on the date of the strike; contrast this vast sum of money with the total dividends reported paid last quarter, \$247,150, and you get an idea of the difficulty which has caused so many mills to curtail production.

Notwithstanding the drop of six cents a pound in cotton the business to-day is not profitable, the bids for goods being made upon a basis of about seven cents for cotton or four cents below its present market value.

Nevertheless, I am not utterly discouraged; the fact that the mills are now run for the benefit of the help and the community should bind us together in mutual helpfulness and interdependence, the fundamental principle of our system of profit-sharing, for which I invite your appreciation and co-operation.

Better times cannot be very far off, although I have to admit that my wish is father of my hope; and my ambition in any event will continue to be, as I stated to the weavers' committee at the conclusion of our last conference, to make your place here the best place for you in all the world.

Dangerous Occupations in Great Britain.

According to the Labour Gazette, London, for June, the number of cases of lead, mercurial, phosphorus, and arsenic poisoning, and of anthrax reported under the Factory and Workshop Act during May was 45, the number of deaths being two.

The following tabular statement shows the number of cases and deaths for May, 1904, and for the five months ending May, 1904:

DISEASES.	CASES		DEATHS	
	May, 1904	5 Months Ending May, 1904	May, 1904	5 Months Ending May, 1904
Lead poisoning, .	41	229	1	8
Mercurial poisoning, .	-	2	-	-
Phosphorus poisoning, .	1	1	1	1
Arsenic poisoning, .	1	4	-	-
Anthrax, .	2	22	-	1
TOTALS, .	45	258	2	10

In addition to the cases included in the table under lead poisoning, there were 15 cases (including three deaths) during May among house painters and plumbers; for this class of workmen, there were 69 cases (including 14 deaths) for the five months ending May, 1904.

Population of Italy.

The population of Italy in 1901, from the census taken February 10, 1901, was 32,475,253, comprising 16,155,130 males and 16,320,123 females. The religions of Italy and number of people professing such beliefs follow: Catholic, 31,539,863; Protestant, 65,505; Hebrew, 35,617; Greek, 2,472; other religions, 338; 36,092 persons were reported as having no religion, while the beliefs of 795,276 persons were not obtainable.

Night Work for Women.

In a memorial recently issued by the Board of International Association for Labor Legislation on the prohibition of night work for women, a general summary is given of the legislation in force in the various countries of the world bearing on this subject.

In September, 1901, the International Association for Labor Legislation at the assembly held at Basle, instructed the International Labor Office to institute inquiries as to the state of night work among women in the various countries. Subsequently a resolution was passed declaring that the condition of legislation on women's night work in most states with important industries, and the influence of such legislation on the general conditions of industry, justified the abolition in full, on principle, of night work for women. In 1903, this committee passed a resolution instructing the Board of the International Association to address the Federal Council of the Swiss Confederation, and to request it to take the initiative in an international congress with the object of forbidding, by means of an international convention, night work for women in any industry.

In respect to the legislation regarding night work affecting women, the countries are divided into the following four classes:

1. States that have issued no interdict against night work for women.
2. States where this interdict is issued solely in respect to young females up to a certain age limit.
3. States where this interdict only refers to certain kinds of manufacturing establishments.
4. States where the interdict against night work for women of all ages and in every kind of industrial

work is laid down in principle, with certain exceptions.

Japan is the only State where no restrictions exist regarding hours of labor either by night or day. In South Australia, and in fourteen of the United States, as well as Oklahoma Territory, the labor of women is limited to a maximum of 10 hours a day, or 60 hours a week; no distinction, however, being made between day and night employment. In Spain, women's work is restricted to 11 hours a day, but females between 14 and 16 years of age are allowed to work eight hours a night.

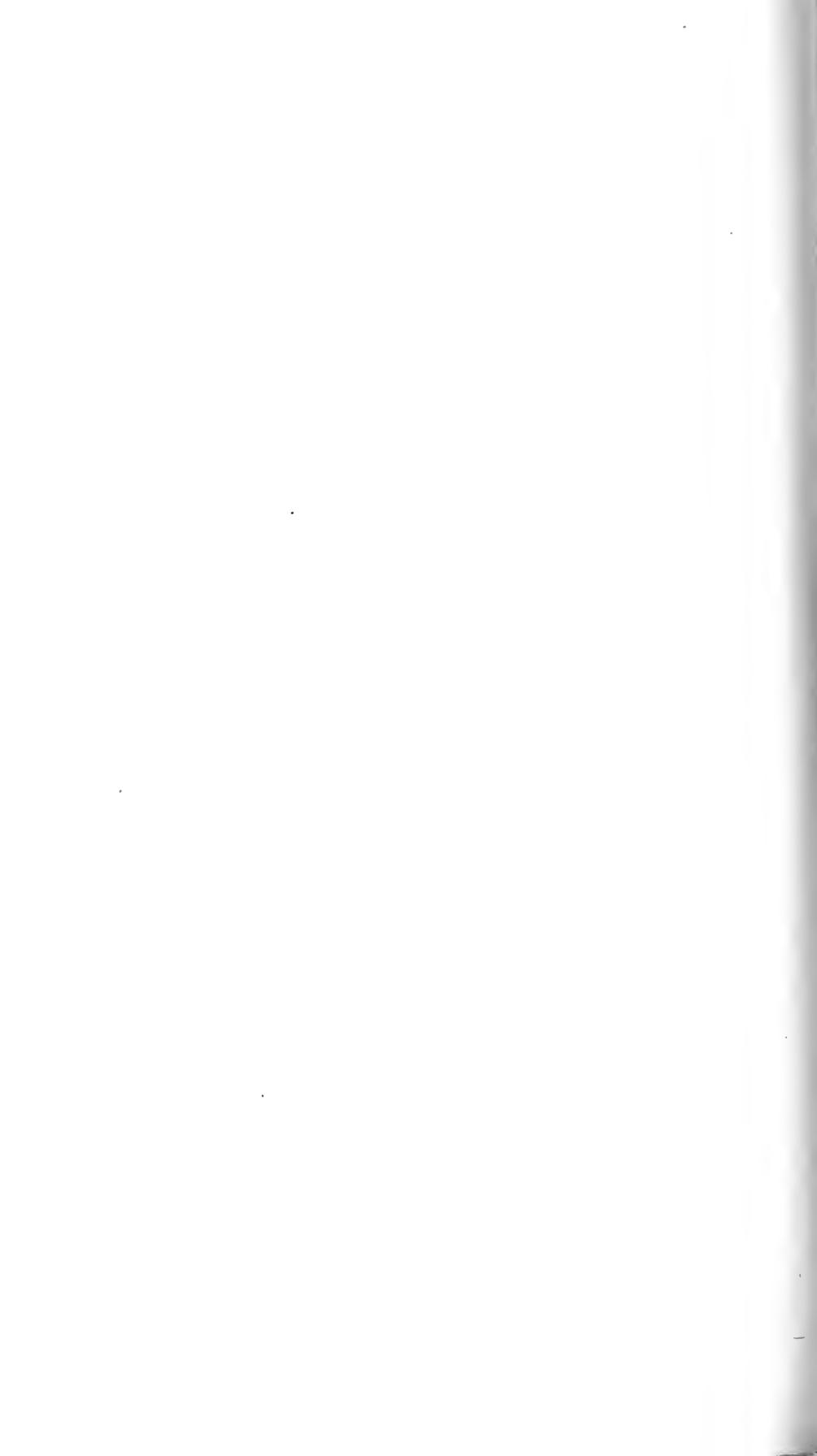
In Belgium, Portugal, and Georgia, night work is forbidden to females under 21 years of age. In Denmark, Norway, Sweden, Finland, New South Wales, and Ohio, the age limit is 18 years, and in Hungary, Luxemburg, and Wisconsin, those below 16 are forbidden to work at night. In 1907 a law will come into force in Italy prohibiting night work for women of all ages.

In Russia, the prohibition of night work only applies to women working in the mines and in the textile industries. In Austria, the East Indies, Luxemburg, Finland, and Sweden, the prohibition applies to women working in factories, mines, and smelting furnaces. In Germany, the prohibition is extended to workshops with motor power, and in Switzerland to all workshops employing more than five hands. In the following countries night work is prohibited to women in all industrial pursuits in establishments employing a staff exceeding: Five hands, Denmark, Portugal, Ontario; four hands, Victoria; three workwomen, Basle City; two workwomen, the Swiss cantons of Glarus and St. Gall, Queensland, and New Zealand; one workwoman, in the cantons of Zurich, Berne, Lucerne, Solothurn, Aargau, and Neuchâtel.

In the following countries and states night work for women is forbidden without distinction as to age: Germany, New York, New Jersey, Indiana, Massachusetts, Nebraska, France, Great Britain, Manitoba, Quebec, Nova Scotia, Queensland, Victoria, New Zealand, Holland, Switzerland, Austria, the East Indies, and Russia.

Hours of Rest.

In discussing the hours of rest at night required by working-women, it is estimated that the minimum should be 12 hours, leaving 10 hours for regular daily work; one hour for rest during working hours, and one hour for any authorized extra work that might be required on special occasions. The interval between two days' work varies greatly in different states and countries. In New Zealand and New Jersey, the period is 13 hours; in Ohio and New South Wales, 11 hours; in Denmark, the Netherlands, Norway and Sweden, 10 hours; in Switzerland the night's rest is 10 hours from September to May, and nine hours from June to August; in Italy and Portugal the night's rest is 10 hours from November to April, and eight hours from May to October; a rest of nine hours is allowed in Germany, Austria, the East Indies, Great Britain, Ontario, Manitoba, Quebec, Nova Scotia, New York, Wisconsin, and Victoria. In France, women cannot work between nine P.M. and five A.M.; and in Indiana, Massachusetts, and Nebraska, the forbidden hours are from 10 P.M. to six A.M.; in Hungary, Luxemburg, Finland, and Russia, the principle of an eight-hours' rest is recognized.—*Labour Gazette, Canada, June, 1904.*



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